

Frazier bill, S. 1197, the purpose of which is to relieve the farmer from his interest burden; to the Committee on Agriculture.

5752. Also, petition of American Legion Members of Halstad (Minn.) Post, favoring cash payment of bonus certificates; to the Committee on Ways and Means.

5753. Also, petition of citizens and legionnaires of Halstad, Minn., urging cash payment of bonus certificates; to the Committee on Ways and Means.

5754. Also, petition of 19 citizens of Halstad, Minn., urging cash payment of face value of adjusted-compensation certificates; to the Committee on Ways and Means.

5755. By Mr. SHOTT: Letter from P. C. Minotti Construction Co., of Logan, W. Va., protesting against the passage of Davis-Kelly coal control bill; to the Committee on Interstate and Foreign Commerce.

5756. Also, letter from the Baldwin Supply Co., of Charleston, W. Va., mine and mill supply house, protesting against the passage of the Davis-Kelly coal control bill; to the Committee on Interstate and Foreign Commerce.

5757. Also, resolution of the Brotherhood of Locomotive Firemen and Enginemen, Big Sandy Lodge, No. 393, Lexington, Ky., opposing, as detrimental to employees of coal-carrying railroads, the passage of the Davis-Kelly bill, which is designed to control the bituminous-coal industry; to the Committee on Interstate and Foreign Commerce.

5758. Also, resolution of Brotherhood of Locomotive Firemen and Enginemen, Sandy Valley Lodge, No. 718, Ashland, Ky., opposing, as detrimental to employees of coal-carrying railroads, the passage of the Davis-Kelly bill, which is designed to control the bituminous-coal industry; to the Committee on Interstate and Foreign Commerce.

5759. Also, resolution of the Brotherhood of Locomotive Engineers, Ashland, Ky., Division No. 698, opposing, as detrimental to employees of coal-carrying railroads, the passage of the Davis-Kelly bill, which is designed to control the bituminous-coal industry; to the Committee on Interstate and Foreign Commerce.

5760. Also, petition of the Charleston Chamber of Commerce, transportation committee, requesting that immediate steps be taken by Federal Government to enact laws resulting in placing of interstate motor-truck transportation under jurisdiction of Interstate Commerce Commission; to the Committee on Interstate and Foreign Commerce.

5761. Also, memorial approved by the R. M. Lambie Coal Mining Institute of Wyoming County, calling attention to Senate bill 2935 and House bill 7536, urging disapproval and defeat of these bills, and setting forth in detail reasons for such opinion; to the Committee on Interstate and Foreign Commerce.

5762. By Mr. SINCLAIR: Petition of H. T. Peterson and 36 other residents of Plaza, N. Dak., and vicinity, recommending the enactment of several measures to cure monetary evils and raise the price levels of commodities; to the Committee on Banking and Currency.

5763. By Mr. TEMPLE: Petition of Doyle W. Sickles and a number of other ex-service men of Washington County, Pa., supporting legislation for full payment of adjusted-service certificates in this session of Congress; to the Committee on Ways and Means.

5764. Also, petition of Steve Surba, of Slovan, and a number of other ex-service men in Washington County, Pa., supporting legislation providing for full payment of adjusted-service certificates; to the Committee on Ways and Means.

5765. Also, petition of Francis J. Bezy, 817½ Washington Avenue, Charleroi, Pa., supporting legislation providing full payment of adjusted-service certificates; to the Committee on Ways and Means.

5766. By Mr. THOMASON: Petition of the Kiwanis Club, El Paso, Tex., urging tariff on copper; to the Committee on Ways and Means.

5767. Also, petition of George Bruce and other railroad employees of El Paso, Tex., urging the passage of House bill 10023, known as the railway pension bill; to the Committee on Interstate and Foreign Commerce.

HOUSE OF REPRESENTATIVES

SATURDAY, APRIL 9, 1932

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Thou who art the God of the whole earth, Thou wilt be glorified. Help us to have more faith in its final redemption and that all things will work together for good to them that love Thee. As Thy children Thou dost give joy to life, elevation to aims, sweetness to experience, and peace to our souls. We thank Thee for this divine oversight which keeps the gates of mercy open day and night. O God, shape, direct, and control all the uplifting agencies of our national life. As they echo throughout the land, may they work heroically at the core of its very existence. Wilt Thou bind all citizens together by the high excellence of cooperation. Do Thou harken, Lord: Wilt Thou bring forth light into the home that is darkened by death and give peace and resignation to those who are bowed down by the great affliction. Through Christ our Saviour. Amen.

The Journal of the proceedings of yesterday was read and approved.

PAYMENT OF ADJUSTED-SERVICE CERTIFICATES

Mr. BACON. Mr. Speaker, I ask unanimous consent to speak for one minute.

The SPEAKER. The gentleman from New York [Mr. BACON] asks unanimous consent to address the House for one minute. Is there objection?

There was no objection.

Mr. BACON. Mr. Speaker, in this one minute I want to read a telegram signed by the New York State commander of the American Legion, as follows:

NEW YORK, N. Y., April 8, 1932.

HON. ROBERT L. BACON,
Washington, D. C.:

The American Legion, Department of New York, and the vast majority of its 85,000 members and 800 posts, refuse to adopt any selfish attitude inimical to best interests of fellow citizens as whole or to approve any demands or drain upon Treasury, aggravating gravity of present industrial, financial, and economic crisis confronting our country. We therefore firmly oppose payment of adjusted-service certificates at this time and urge that you support our stand.

MOSES G. HUBBARD, Jr.,
New York State Commander American Legion.

I have replied congratulating the American Legion, Department of the State of New York, on their patriotic attitude. [Applause.]

PHILIPPINE INDEPENDENCE

Mr. GARBER. Mr. Speaker, I ask unanimous consent to revise and extend my remarks in the Record.

The SPEAKER. The gentleman from Oklahoma asks unanimous consent to revise and extend his remarks. Is there objection?

There was no objection.

Mr. GARBER. Mr. Speaker, by a vote of 306 to 47 the House passed the bill granting independence to the Philippines eight years after they have set up a commonwealth government of their own.

When we took over the Philippines in 1900 it was with the express pledge that we would grant them independence as soon as they established a stable government and demonstrated their qualifications for self-government. The progress they have made under our supervision and direction is much greater and more substantial than that which is generally known.

Their qualifications for self-government are based upon evidence of their progress in education which far exceeds the general impression regarding the education of the Filipinos. They now have 9,063 schools in the islands, an increase of approximately 7,000 schools since we obtained possession. Of these, 8,442 are public schools in which are enrolled 1,316,126 students with 28,519 professors, principals, and teachers, all but 300 of whom are Filipinos.

The annual expenditure for public education in 1932 amounted to 30 per cent of the government's income, all of which is paid by the people of those islands.

Included in their educational system are four universities of high academic standard in which 19,500 young men and young women are preparing themselves for the professions. Many others are attending the normal schools for the teaching profession.

In all the schools of the islands, the English language is being taught.

Since 1916 the Filipinos have, for all practical purposes, been governing themselves. They have an elective senate and house of representatives, an excellent judicial system, a constabulary of 7,000 for police purposes. Law and order has prevailed throughout without serious disturbances.

Their interest and participation in their general elections evidence their qualifications for self-government. In 1931 there were 1,009,125 voters registered. Of these, 983,406 cast their ballots, or about 90 per cent of the registration. At no election has a lesser number than 80 or 85 per cent cast their ballots at the general elections. This is a much higher percentage than in the elections held in the United States.

In the various departments of their government they have 21,700 civil-service employees, all of whom are Filipinos except 461.

Their currency is sound and recognized as such throughout the world. Their indebtedness does not exceed \$60,000,000 and is less than 48 per cent of the limit permitted by their organic act. They have a balanced budget. Their financial capacity to support the government is beyond question. They not only have a balanced budget, a stable currency, a sound and efficient administration of justice, but a progressive and ever-expanding system of public instruction. Their educational and economic standards are higher than those of other countries in that part of the world.

We have done for the Filipinos all that we have promised them, except to grant them independence. The act just passed by the House, if passed by the Senate and signed by the President, will be a fulfillment of our pledge.

During the eight years intervening when ultimately they will secure their independence, various progressive steps are required to be taken. The first will be the adoption of a constitution at an election and then its submission to the President. During this period they will be permitted free importations of their products up to a certain amount. For instance, 50,000 long tons of refined sugar and 300,000 long tons of unrefined sugars. In excess of those amounts, the regular tariff duties paid by other countries will be levied. Two hundred thousand long tons of coconut oil may be imported free of duty, and in excess of that amount the regular tariff duties will be levied. And so on, with their various other products, including yarns, twines, cords, cordage, rope, and so forth.

The immigration laws will apply with a limit of 50 entries during any one year.

During such period of eight years the United States is to be represented in the islands by a United States high commissioner, and reserves the right of intervention for the protection of life, property, and individual liberty, and the right to maintain naval bases in the islands.

The question as to whether or not the islands will be able to defend themselves against the aggression of other nations is one that does not enter into the consideration of our obligations. The stable government which they were required to establish to secure their independence was within and not without. If the latter, then independence would not be granted until their armaments for self-defense would be sufficient to protect against the aggressions of Japan or other nations ranking among the world's great powers. Such requirement would preclude independence at any time.

The fulfillment of our pledge is the first and prior consideration. Benefits to the Filipinos is the second, and agriculture and labor in this country, burdened with the

competition of their free importations, is the final consideration. In conclusion—

First. When the United States assumed sovereignty over the Philippines it disclaimed any intention to colonize or exploit them.

Second. The United States, through Executive pronouncements and a formal declaration made by Congress in 1916, has pledged itself to grant independence to the Philippines when a stable government is assured.

Third. It is believed that a stable government now exists in the Philippines.

Fourth. Every step taken by the United States since the inception of American sovereignty over the Philippines has been to prepare the Filipino people for independence. As a result, they are now ready for independence politically, socially, and economically.

Fifth. The American farmer is urging protection from the unrestricted free entry of competitive Philippine products.

Sixth. American labor is seeking protection from unrestricted immigration of Filipino laborers, especially at this time of widespread unemployment.

Eighth. The present free-trade reciprocity between the United States and the Philippines is the basis for the major industries of the islands and can not be terminated abruptly without injuring both American and Philippine economic interests.

PROVISIONS OF THE MEASURES

The salient provisions of the bill are:

First. The Filipino people are authorized to adopt a constitution and institute the government of the Commonwealth of the Philippine Islands, which will exist pending complete independence. Under such government they will enjoy complete autonomy as to domestic affairs, subject only to certain reservations to safeguard both the sovereignty and the responsibilities of the United States.

Second. Pending final relinquishment of American sovereignty, the free importation of certain Philippine products into the United States shall not exceed specified limits based upon the status quo as represented by estimated importations from existing investments.

Third. Pending independence, Philippine immigration to the United States is limited to a maximum annual quota of 50.

Fourth. On the 4th of July immediately following the expiration of a period of eight years from the date of the inauguration of the government of the Philippine Commonwealth complete independence of the Philippine Islands will be formally recognized.

Fifth. The United States reserves the right to maintain military and naval bases and other reservations in the Philippine Islands.

INDEPENDENT OFFICES APPROPRIATION BILL

Mr. WOODRUM. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 10022) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices for the fiscal year ending June 30, 1933, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the independent offices appropriation bill, with Mr. SWANK in the chair.

The Clerk read the title of the bill.

The Clerk read as follows:

VETERANS' ADMINISTRATION

MILITARY SERVICES

Administration, medical, hospital, and domiciliary services: For all salaries and expenses of the Veterans' Administration, including the expenses of maintenance and operation of medical, hospital, and domiciliary services of the Veterans' Administration, in carrying out the duties, powers, and functions devolving upon it pursuant to the authority contained in the act entitled "An act to authorize the President to consolidate and coordinate governmental activities affecting war veterans," approved July 3,

1930 (U. S. C., Supp. IV, title 38, secs. 11-11f), and any and all laws for which the Veterans' Administration is now or may hereafter be charged with administering, \$115,528,795: *Provided*, That not to exceed \$3,500 of this amount shall be available for expenses, except membership fees, of employees detailed by the Administrator of Veterans' Affairs to attend meetings of associations for the promotion of medical science and annual national conventions of organized war veterans: *Provided further*, That this appropriation shall be available also for personal services and rentals in the District of Columbia and elsewhere, including traveling expenses; examination of estimates of appropriations in the field including actual expenses of subsistence or per diem allowance in lieu thereof; for expenses incurred in packing, crating, drayage, and transportation of household effects and other property, not exceeding in any one case 5,000 pounds, of employees when transferred from one official station to another for permanent duty and when specifically authorized by the administrator; furnishing and laundering of such wearing apparel as may be prescribed for employees in the performance of their official duties; purchase and exchange of law books, books of reference, periodicals, and newspapers; for passenger-carrying and other motor vehicles, including purchase, maintenance, repair, and operation of same, including not more than two passenger automobiles for general administrative use of the bureau in the District of Columbia and three for the Washington, D. C., regional office; for operating expenses of the Arlington Building and annex, including repairs and mechanical equipment, fuel, electric current, ice, ash removal, and miscellaneous items; for allotment and transfer to the Public Health Service, the War, Navy, and Interior Departments, for disbursement by them under the various headings of their applicable appropriations, of such amounts as are necessary for the care and treatment of beneficiaries of the Veterans' Administration, including minor repairs and improvements of existing facilities under their jurisdiction necessary to such care and treatment; for expenses incidental to the maintenance and operation of farms; for recreational articles and facilities at institutions maintained by the Veterans' Administration; for administrative expenses incidental to securing employment for war veterans; for funeral, burial, and other expenses incidental thereto for beneficiaries of the Veterans' Administration accruing during the fiscal year 1933 or prior fiscal years: *Provided further*, That the appropriations herein made for the care and maintenance of veterans in hospitals or homes under the jurisdiction of the Veterans' Administration shall be available for the purchase of tobacco to be furnished, subject to such regulations as the Administrator of Veterans' Affairs shall prescribe, to veterans receiving hospital treatment or domiciliary care in Veterans' Administration hospitals or homes: *Provided further*, That the appropriations herein made for medical and hospital services under the jurisdiction of the Veterans' Administration shall be available, not to exceed \$15,000, for experimental purposes to determine the value of certain types of treatment.

Mr. BULWINKLE. Mr. Chairman, I move to strike out the last word, and I ask unanimous consent to revise and extend my remarks, and also to insert some statistics in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina to revise and extend his remarks, and insert certain statistics in the RECORD?

There was no objection.

Mr. BULWINKLE. Mr. Chairman, frequently I have heard it said by many of my former comrades of the World War that the United States Government did nothing for the service men of the World War. Those who made such a statement as this had evidently not given any thought to the benefits that the service men derived from the Federal Government, on account of their participation as soldiers, sailors, or marines during the greatest war in all history. And it is to correct that idea that I am speaking to the Committee of the Whole House on H. R. 10022, the appropriation bill for the independent bureaus of the Government, and in which bill all appropriations for the veterans are carried for the ensuing year, amounting to approximately \$1,000,000,000.

Speaking from my own personal knowledge, I entered Congress for the first time shortly after the conclusion of hostilities, which was the Sixty-seventh Congress. Since that time and before, the United States Government, by laws enacted by the various Congresses, has given compensation for the disabilities incurred by every member of its armed forces during the war; has given hospitalization, not only to those who were disabled on account of their service in the World War, but to all veterans as well; has allowed compensation benefits to the dependent relatives of those who were disabled in the war; has given disability allowance or pensions to many of those who could not connect their disability with the service, and who suffered from disabilities

not caused by their service; permitted each and every man who desired to do so to take war-risk insurance up to the sum of \$10,000 at a reasonable price; provided a number of national soldiers' homes for those veterans who desire to spend the remainder of their days in a well-equipped, well-managed home, surrounded by their comrades; and granted at the request of the service men themselves certificates known as adjusted-service certificates in the form of an insurance policy, which in 1922 and 1923 every veterans' organization in the United States requested, without a single exception. The amount that the service men asked was \$1 per day for domestic service and \$1.25 per day for foreign service. All veterans' organizations at the time of the passage of the adjusted-service certificate law said that they did not want the bonus in cash, but they wanted it in the form of an insurance certificate, payable 20 years after date, and approximately two and one-half times greater than the amount of the service paid, if it had been paid in cash. And notwithstanding the agreement that was made by the veterans' organizations with the Government of the United States, asking that this bonus be paid 20 years after date in the form of an insurance policy for the protection of their families, Congress at the request of the service men has already permitted loans up to 50 per cent of the full value of the certificate, the value of which would have been the amount due in the year 1945 and later.

No country on the face of the earth, in all history, has ever given as much in compensations, pensions, disability allowance, hospital treatment, and other benefits as has our Republic, the United States Government, to its former soldiers. I think it entirely proper to give this House the statistics showing the amount that has been expended by the United States Government for compensation to the disabled veteran and his dependents for disability allowance, for Spanish-American War pensions, for hospitalization and medical services, and for other benefits that the veterans have received.

Mr. SNELL. Mr. Chairman, will the gentleman yield?

Mr. BULWINKLE. I yield.

Mr. SNELL. Is it not also the fact that we have done more than all of the other nations combined have done?

Mr. BULWINKLE. May I not tell the gentleman from New York that I will come to that just a little later?

[Here the gavel fell.]

Mr. BULWINKLE. Mr. Chairman, I ask unanimous consent to be given five additional minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. BULWINKLE. The English Government, with all of its men, in the four years of service, with all the death and destruction which followed in the wake of it, has paid in cash only three-quarters of the amount paid by the United States Government to this day.

Mr. KETCHAM. Will the gentleman yield?

Mr. BULWINKLE. Certainly.

Mr. KETCHAM. How does the number of men enlisted compare?

Mr. BULWINKLE. The English Government had a far greater number of men.

Mr. DYER. Will the gentleman yield?

Mr. BULWINKLE. I would be glad to.

Mr. DYER. In view of what the gentleman has said and what I know he is going to say, speaking as a Member of Congress and also as a World War veteran, is there any justification for the demand upon Congress at this time for the cashing or paying of the adjusted-service certificates?

Mr. BULWINKLE. May I say in reply to the gentleman from Missouri that I do not at this time care to enter into a discussion of the bonus question one way or the other. I only intended to bring to the attention of this House and to the former service men the amount which I shall show has been expended by the Government for all compensation, allowances, hospitalization and medical service, administration costs, and all other expenditures.

From the year 1918 to the 1st day of January, 1932, the United States Government has expended for compensation,

which is a pension granted to the veteran or his dependents for disabilities or death incurred in the service by the veteran, the sum of \$1,940,252,074.14. And for each year from 1918 to 1932 there was expended by years the following amounts:

Fiscal year:	
1918	\$282,367.21
1919	9,360,278.69
1920	100,347,443.45
1921	118,612,780.87
1922	120,663,462.30
1923	125,275,404.76
1924	115,418,883.09
1925	129,474,616.81
1926	164,380,505.88
1927	173,475,773.57
1928	181,799,665.82
1929	184,215,946.87
1930	188,030,643.61
1931	213,423,164.91
1932 (6 months)	115,491,136.30
Total	1,940,252,074.14

The payment to a soldier of an allowance for a disability not incurred in or aggravated by his service in the World War was authorized by Congress by act of July 3, 1930. During the time that this law has been in force, up to the 31st day of December, 1931, the Government has expended approximately \$65,000,000 for this disability allowance or pension purpose.

While I have not the figures to show what was expended by the Government for medical and hospital services from the armistice to the 1st day of July, 1920, the amount expended for all medical services and for all hospitalization of veterans to the 1st day of last July amounted to \$420,011,705.26, and to this amount can well be added an additional \$45,000,000, making a total of over \$465,000,000 up to the 1st day of last July. For each year, from 1921 up to and including 1931, the amounts expended each year are:

Fiscal year:	
1921	\$45,277,864.62
1922	68,970,568.42
1923	51,447,864.63
1924	29,618,747.28
1925	33,033,371.64
1926	31,197,947.20
1927	31,554,979.20
1928	30,166,865.68
1929	29,808,711.18
1930	32,185,206.37
1931	36,749,579.04
Total	429,011,705.26

[Here the gavel fell.]

Mr. DOUGHTON. Mr. Chairman, I ask unanimous consent that my colleague may proceed for 10 additional minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. BULWINKLE. The Members of the House may be interested in knowing the number of cases that have been in the hospitals from 1920 to 1931, as well as the number of service-connected cases, and also the number of non-service-connected cases and the total of both.

Admissions

Fiscal year	Service connected	Non service connected	Total
1920	43,233		43,233
1921	91,440		91,440
1922	134,354		134,354
1923	82,597	217	82,814
1924	63,624	429	64,053
1925	63,599	13,243	76,842
1926	45,255	24,186	69,441
1927	36,581	35,286	71,867
1928	27,439	45,831	73,270
1929	26,296	56,892	83,188
1930	26,298	65,817	92,115
1931	24,618	85,031	109,649
Total	665,304	327,032	992,336

The membership in the House will realize from these figures that a total of 992,336 service men during this period

of time has been to the hospital for treatment as patients. The Administrator of Veterans' Affairs, at my request, has given me the estimated hospital and domiciliary loads for the future, which are the number of beds estimated for the future.

Year	Hospital	Domiciliary
1935	45,628	28,481
1940	47,710	38,070
1945	52,491	51,801
1950	59,661	61,018

The total amount expended by the United States Government for all these purposes, including all administrative expenses, salaries, and wages, since the fiscal year 1920, will be approximately \$7,500,000,000. And this does not include some of the expenditures made prior to 1920 for vocational training, for hospitalization, and for other benefits, which the veterans receive; and while I have not the complete figures at this time, yet I might safely say that the entire benefits for all purposes, which the veterans of the World War have received, would amount to close to \$8,000,000,000.

From the time of the passage of the adjusted service certificate law or the bonus, up to January 31, 1932, the sum of \$122,899,674.70 was disbursed by the Government on those adjusted-service certificates, which matured by reason of the death of the veteran. And the amount to be expended in payment of the remaining certificates in force on January 4, 1932, is \$3,513,175,863.30. Under the provisions of the act of Congress, loans were made by the Veterans' Administration to the veterans on their certificates, amounting to \$1,233,859,223.36. This, of course, is up until the 1st day of February.

During the fiscal year 1931, \$102,256,497.96 was disbursed for pensions to veterans and dependents of veterans of the war with Spain. The total amount disbursed to December 31, 1931, for the above purposes was \$628,987,326.63. The future expenditures for pensions to veterans of the war with Spain has not been estimated.

Several bills have been introduced in Congress, and I myself introduced one for the dependent widows and orphans of deceased veterans. This is part of the American Legion program, and the Congress should at this session give serious consideration to the passage of a widows and orphans bill. As I have stated, this is one of the major objectives of the American Legion on its legislative program. And may I not say here that during the past few months the American Legion, under the leadership of Henry L. Stevens, of North Carolina, has performed a most remarkable service for the country. Since the 15th day of February the American Legion, through its organization for employment service under the direction of Mark McKee, of Michigan, has placed approximately 400,000 unemployed in positions. [Applause.] This, of itself, speaks well for the Legion and its program, and the gratitude of the Nation will eventually be given to Henry Stevens and his coworkers, who have so unselfishly given of their time to relieve the unemployment situation in America.

I have brought these matters to the attention of the House for its consideration, and also to the attention of the country, that the people of this Nation may know that the United States Government, through its Congress, has never been niggardly or miserly in its expenditures for the benefit of the veterans of the various wars. And I believe that it has been said that all pensions from the time of the Revolution in 1776, and all benefits which the veterans of all wars have received, would amount to well over \$15,000,000,000. This figure may not be accurate, but I venture to say that it is fairly so, and reiterating what I have just said, especially do I want those men who were patriotic in the days of 1917 and 1918 to realize that this Government has been extremely liberal, and that each and every one of us has a duty to perform to this Nation as great, if not greater, in time of peace than that which we performed during the war. [Applause.]

Mr. DYER. Mr. Chairman, what the gentleman from North Carolina has stated is one evidence of the fact that this country has been most generous to those who served in the World War and to their dependents, similar in many ways to what we have done for the veterans of other wars.

But, Mr. Chairman, this is only one evidence of what the World War has cost this country. The greatest loss was in the deaths of those valiant young men who were killed on the field of battle or who were disabled for the rest of their days.

Mr. Chairman, in addition to that this country is suffering from the fact that we have loaned immense sums of money to foreign countries, billions of dollars, which we are not collecting and probably will never be able to collect. It opens up that aspect of that war and brings to us the question of whether or not we made a great mistake in entering it. In my judgment, we did make a mistake, and I accept my part of that mistake, if the blame is upon this country for entering it, because I voted to enter that war. I am sorry to-day I voted for this country to enter into that war. We did it on one phase, and that was to help the people in Europe, and especially the people of France, to save the Republic of France and to save its people from destruction. To-day France is not the friend of America. She is to-day trying to undermine and destroy the American dollar. So instead of France and Europe paying to us a debt of gratitude for all we did in that war, we are receiving nothing but criticism and condemnation.

Mr. Chairman, in my judgment, we made a mistake, but we entered into that war and it is our duty now to do justice to the veterans who served in that war and to their dependents.

I sought to obtain from the distinguished gentleman from North Carolina, a World War veteran of renown and of great heroism, an answer to my question as to whether or not he thought the Congress at this time should cash the adjusted-service certificates which these boys hold and which are not due for years, but his reply was quite proper in that he did not wish to enter upon that subject in connection with his present speech.

This country is on the brink of a panic and, my colleagues, it is our duty to do at the earliest possible moment that which we should do and say to the world and to America that we are not going to further harass the financial condition of this country by voting to pay these adjusted-service certificates at this time.

The revenue bill is unfinished and in many respects it is unsatisfactory to the people of this country. Until that bill is finished so that it will bring relief to the Treasury of this country and until we know what we are going to do here as to the financial condition of the country we should hasten to bring this momentous question to an end. [Applause.]

Mr. RANKIN. Mr. Chairman, I have listened with a great deal of interest to what the gentleman from Missouri [Mr. DYER] had to say in opposition to the bill now pending before the Ways and Means Committee to expand the currency and pay off the veterans' adjusted-service certificates.

I heard what the gentleman from Missouri said about the financial condition of the country. The financial condition of the country is not going to get any better until there is an inflation or an expansion of the circulating medium of this country. [Applause.] The bill we have before the Ways and Means Committee provides for that expansion, for the setting aside of a sufficient amount of the free gold now in the Treasury and the issuance of \$2,000,000,000 or \$2,200,000,000 of United States notes, and the paying off of these certificates. Nothing that could be done at this time would do more to revive commodity values, and we are not going to have any return of anything that looks like prosperity until we revive commodity prices.

I know that those people who grew rich out of this war and who have placed their wealth in tax-exempt securities are opposing any expansion of the currency, because their dollars will buy three or four or five times as much as when the bonds they now hold were issued. They do not want

commodity values to rise and they are to-day resisting any expansion under the Glass-Steagall bill, which was passed so enthusiastically by Congress a few days ago.

I assert that if this bill to inflate the currency and pay off these certificates is passed and this extra currency is put into circulation, it will break this panic overnight. I know that some of you gentlemen who are suffering from a gold complex are going to say that will endanger the gold standard, and I notice that the administration papers quoted me as saying the other day that I was in favor of abandoning the gold standard and "the sooner the better." I did not make that statement. We do not have to abandon the gold standard. We have a sufficient amount of free gold in the Treasury to set aside \$800,000,000 and on a 40 per cent reserve we can issue \$2,000,000,000 in currency against it. You Republicans ought not to kick on that. Abraham Lincoln did exactly the same thing during the Civil War. There are \$346,000,000 of those notes outstanding to-day and they are worth one hundred cents on the dollar. The Democrats ought not to kick on that. We inflated the currency more than that during the World War through the Federal reserve system, under a law that requires a gold reserve of only 40 per cent. But some of you say, "There are other securities to make up the other 60 per cent." That is true, but I want to know what security in America is worth more than the credit of the United States.

The only other gold-standard country on earth is France. France does not retain a 100 per cent gold reserve against any of her currency. Great Britain recently abandoned, for all legal purposes, the gold standard, but before Great Britain abandoned the gold standard, or went off the gold standard, as they say, she had less than a 40 per cent gold reserve against any of her currency.

It is not necessary, I repeat, to have a dollar in gold as a reserve against every dollar of currency. We have a sufficient amount of gold to back up this \$2,000,000,000 or \$2,200,000,000 of United States notes and pay these veterans now, without levying an additional dollar of taxes on the American people.

What would be the effect of this? You would take these veterans out of the bread lines that are now crowding the streets of your cities. You would feed their hungry children and clothe their families; and in addition to that, you would see the price of wheat and corn and cotton and dairy products and every other commodity rise overnight. You would see our transportation system relieved from its deadlock and traffic would begin to move. You would see our factories begin to run and unemployment would begin to disappear. You would break this panic that is now gripping and destroying America, if you would join with us and put this bill through to expand the currency and pay off these certificates and get that debt off of the statute books of the Republic.

Mr. MORTON D. HULL. Will the gentleman yield?

Mr. RANKIN. I yield to the gentleman, if I have time.

Mr. MORTON D. HULL. Does the gentleman see any results from the partial payment of the certificates already made?

Mr. RANKIN. Last year?

Mr. MORTON D. HULL. Yes.

Mr. RANKIN. Why, certainly; but that did not increase the currency of the country. Yes; it relieved many a hungry one.

Mr. MORTON D. HULL. The same argument the gentleman is making now was made at that time.

Mr. RANKIN. Yes; but you did not pay it in that way. You went out and borrowed the money instead of inflating the currency and increasing the circulating medium of this country.

Now, gentlemen, I am not in favor of going off the gold standard—it is not necessary—but if it ever becomes necessary to go off the gold standard to save the American people from the horrible condition they are in to-day; if it comes to a question between my country, the American people, and the gold standard, then I shall be ready and willing to suspend or abandon the gold standard. [Applause.]

Mr. BLANTON. Mr. Chairman, I offer a preferential motion to strike out the enacting clause, which is merely pro forma in order to get the floor.

Mr. Chairman, the speech of the gentleman from Missouri [Mr. DYER] does him no honor. Before this Government entered into war the Imperial German Government had broken every solemn treaty that guaranteed the peace of the world. The infamous, death-dealing submarines had appeared everywhere on the high seas, sinking passenger ships without warning, and on one occasion a German submarine bobbed up overnight in the harbor of New York, crossing the seas, demonstrating to America the potentialities of Germany in her attempt to dominate the world.

Ship after ship had been sunk with American lives on board in the face of warning from our Government and our flag that such attacks must not recur. The aggressions of the German Kaiser threatened the entire civilization of the world. Russia had gone to pieces, Italy had succumbed, France had her back to the wall, and Great Britain was upon her knees.

I ask the gentleman from Missouri, who voted with me one night for war, what has come over him since then that has convinced him he made a mistake? When this Government tells another government that she must not sink our ships on the high seas, I am in favor of our Government making its warning good. [Applause.]

Oh, the gentleman says we have lent money to foreign countries and he says that, "Of course, we do not expect them to pay it, and we know they are not going to pay it." I want to say to the gentleman from Missouri if I owed him \$1,000 and he needed the money he would not be coming to me and saying, "I know you are not going to pay it, Tom." He would be saying, "I know you can pay it, and I want my money."

I want to ask the gentleman if he, with the various other interests of this country that do not want these debts paid, is furthering the interests of our Government by stating here on this floor that "We do not expect these debts to be paid"? The gentleman, by so stating, is standing in the way of the best interests of this Nation. He is encouraging those countries not to pay.

Does the gentleman believe that the great Government of France is not going to pay what she owes? Was not the gentleman here when the French High Commission stood here upon this rostrum and with the weepings of their great Viviani told this country, in speaking to the House, "We shall never forget what America is doing for France"? I am one of those who believe that France, after making these speeches during the war, is not going to hesitate one minute when the time comes to pay what she owes our Treasury.

Does the gentleman from Missouri believe that Great Britain, the great Government of England, is going to hesitate about paying its debt to this country? Why, it is fold-derol, it is bosh to even assert such a proposition.

I am one of those who every time he gets on this floor to discuss the subject is going to assert that the governments that owe us, if they are honest, are going to pay, and they can not remain honest whenever they repudiate their debt of honor that they owe this Government. For what America did for the countries abroad during the war she did to save the civilization of the world, and she saved their civilization and if they do not appreciate it, there is something wrong with them. [Applause.]

Mr. FULMER. Will the gentleman yield?

Mr. BLANTON. Yes.

Mr. FULMER. I would like to know whether the gentleman thinks it would be a more creditable record for this House to pass the moratorium than to recognize the moral and honest debts we owe to the ex-service men of the country?

Mr. BLANTON. I voted against the moratorium for foreign countries. But I will vote to pay the moral and honest debt we owe our ex-service men. I believe it is a debt of honor we owe these veterans of the World War. I have been in favor of paying it, and I am ready to vote to pay it

no matter what personal sacrifice it places upon our pocket-books. [Applause.]

Mr. SNELL. Mr. Chairman, I would like to ask the gentleman from Virginia a question. Is it his intention to let this debate run on all the afternoon, or are we going to quit and get through with the bill? A great many Members are anxious to get out early.

Mr. WOODRUM. This is a matter of great importance, and I am disposed to let the debate run along.

Mr. SNELL. For how long?

Mr. WOODRUM. A reasonable time.

Mr. SNELL. I wish the gentleman would tell us what is a reasonable time. [Laughter.]

Mr. LaGUARDIA. Mr. Chairman, I ask unanimous consent to speak out of order for 10 minutes, on a matter that is of great interest to Congress.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

Mr. WOODRUM. Reserving the right to object, and I shall not object, I hope there will be no further request to speak out of order, because we want to get along with this bill.

Mr. LaGUARDIA. Mr. Chairman, I was in New York a week ago to-day, and it was generally stated that there would be a decline in security prices the coming week, and there was such a decline.

I want to charge now that the assertion that has been sent through the country that the decline in prices is due to the tax bill is absolutely false, and the people who are making that misleading statement know that it is false when they are making it.

First of all, I want to put in the RECORD for the information, not of the House but particularly for the other body, a carbon copy of instructions that are being sent out by large stock brokers and financial institutions to their customers, giving instructions as to what kind of letters to write to Senators against the tax bill. I will put that in now.

VERY IMPORTANT NOTICE

We are informed by a friend of ours in Washington that the situation in the Senate is very serious in regard to the provision of the tax law taxing transactions in securities and that this provision has a very good chance of being passed by the Senate unless pressure is brought to bear on individual Senators. The following procedure has been suggested:

First. That each member firm urge its employees to write to his or her Senator protesting against this provision of the tax law in simple language, and using no set form, stating in his or her own way that if this tax provision goes through it may result in the loss of position and means of livelihood. Especially is it important for the employee living out of New York City to write such letters at once.

Second. That the members of the firms write to their Senators, and they are also urged to write to their friends who live out of town suggesting that they write to their Senators protesting against the security tax provision of the new tax law now before the Senate.

Very important. No "rubber stamp" or set form of letter should be sent.

Refrain from all sarcastic or caustic remarks or comments.

APRIL 4, 1932.

I will put in another circular letter which is being sent by stockbrokers to customers telling them what to write to Members of Congress.

NEW YORK, April 7, 1932.

To Our Customers:

May we take the liberty of suggesting that you write immediately to your Senators and Representative in Congress pointing out to them the drastic results that would ensue should some of the proposed legislation be enacted? We have in mind particularly the tax of one-fourth of 1 per cent on security transactions.

During the past three years the security business has suffered as much as, if not more than, any other business in the country, and in times like these, when practically all security dealers are operating in the red, a further tax would be prohibitive and would not only add thousands of their employees to the ranks of the unemployed but would deprive investors of the free and open market to which they are entitled. The New York Stock Exchange is now the premier security market of the world. This tax threatens that prestige, and it is feared that should it become a law the bulk of security trading would be transferred to some foreign city. We also feel that so severe a tax would defeat its own purpose, causing such a drying up of security trading in this country that the revenue derived therefrom would be negligible.

Although the LaGuardia amendment has passed the House, we nevertheless feel that it is important to register a protest, as it has still to pass the Senate and conference committee. Other points that may be mentioned are:

1. Opposition to a soldier's bonus, particularly when it involves the overworking of the printing presses, which would be ruinous to the credit of this country.
2. Opposition to the Glass bill, which, if enacted, would cause a serious deflation and would greatly retard the return of normal times.
3. Opposition to extravagant increases in the higher income-tax brackets, which tax would defeat its own purpose by causing wealthy investors to shift their holdings to tax-exempt securities.
4. Advocacy of repeal of prohibition, or, at any rate, modification which would legalize the sale and taxation of light wines and beer.
5. Advocacy of every form of economy in Government expenditure, particularly the reduction in salary of Members of Congress and all other Government employees.

We sincerely hope that you will urge upon your Senators and Representative the importance of the above points. We feel sure that the adoption of these suggestions will be of material assistance in restoring normal times.

AUERBACH, POLLAK & RICHARDSON.

Now, this decline in prices is nothing new. On February 19, 1932, the President of the United States issued this statement to the country:

FEBRUARY 19, 1932.

The President said:

"I have a question from the press as to conferences held with officials of the New York Stock Exchange. There have been discussions, as is reported, between myself and other officials of the administration with officials of the New York Stock Exchange on the question of bear raids. Stock exchange officials have, during the past eight months, from time to time taken steps to restrain bear raiding with a degree of success, but during the latter part of January, despite these steps, there was a large increase in the short account, which unquestionably affected the price of securities and brought discouragement to the country as a whole. I and other administration officials again expressed our views to the managers of the exchange that they should take adequate measures to protect investors from artificial depression of the price of securities for speculative profit. Individuals who use the facilities of the exchange for such purposes are not contributing to recovery of the United States."

That is what the President of the United States said on February 19, 1932. It was necessary for the President to plead with officials of the stock exchange to prevent bear raids. These raids and decline in prices were all before the tax bill had even been written. So it will be seen that the tax bill is now being used as an alibi by some, as a pretext by the bears, and as a weapon by others endeavoring to intimidate the Senate.

Let me give you another instance—I will not give the name of the brokerage firm, because I do not want to advertise them; I do not want to put any more suckers on their list—on March 1, 1932, this firm sent out this circular letter:

URGE IMMEDIATE BUYING OF STOCKS—PROMINENT COMMISSION HOUSE SEES LIQUIDATION ENDED AND SEASONAL IMPROVEMENT IN BUSINESS VOLUME JUST AHEAD

In a special memorandum beginning "We would buy stocks," say in part:

"We anticipate a period of accumulation incident to the beginning of a bull market."

"Indeed, we may be said to be already in the early stages of a bull market. For instance, bond prices have advanced steadily since December 17, 1931. During January the value of bonds listed on the New York Stock Exchange increased \$523,431,813, and during February we estimate an additional appreciation of \$260,000,000—a total of over \$780,000,000 since January 1.

"Brokers' loans, representing public holdings of securities, which in 1929 exceeded \$3,500,000,000, to-day total about one-sixteenth of that amount. Five large wire houses had total loans exceeding \$1,000,000,000 at the top of the market in 1929. To-day the aggregate borrowings of these houses are less than \$35,000,000. Two of these houses are lending money.

"Thus, liquidation seems definitely ended.

"Meanwhile we are on the threshold of spring, when, regardless of major trends, the business of the country usually enjoys a seasonal improvement in volume, starting with crop preparation and outdoor activities.

"The risk of purchasing securities under existing circumstances seems minimum, and we therefore urge some immediate purchases of sound securities and additional purchases during any periods of irregularity of recession in coming weeks."

Please note that this circular was sent out around the first of March, 1932. The clipping I have is dated March 3, 1932; in all likelihood the broker's letter was March 1 or March 2. Now, in spite of this very bright outlook, so prettily detailed by the brokers in order to make the suckers

buy, there was an almost immediate decline of prices, and the decline continued all through the month. All this decline took place before the tax bill was completed, before the tax bill was reported by the committee, all during the time the brokers and bankers believed the sales-tax provision was safe, and the decline continued before it was known that the stock-transfer tax of one-fourth of 1 per cent would be offered and before it was accepted by the House. Now, seemingly to square themselves with their customers, to alibi themselves in order to again cajole their customers with some other yarn, this same firm sent out this circular two days ago.

SECURITIES DECLINE \$3,500,000 ON TAX BILL—WHAT MR. LAGUARDIA HAS ACCOMPLISHED TO DATE

Mr. Blank, of Blank & Blank, says:

"On last Thursday, March 31 (five days ago), the LaGuardia resolution for taxing stock transactions was passed by the House of Representatives. The day following the security markets began to decline, and they have been declining ever since. Since the passage of this resolution the value of bonds listed on the New York Stock Exchange has declined \$1,097,047,618 and the value of stocks has declined \$2,418,969,603. In other words, bonds and stocks listed on the New York Stock Exchange and owned by life-insurance companies, savings banks, fire-insurance companies, banks and individual investors have been deflated in value to the extent of more than \$3,500,000,000 as a direct result of the LaGuardia tax clause of the revenue bill.

"It is perhaps fair to say in behalf of Mr. LAGUARDIA that had he realized his tax proposal would have deflated the value of securities to this extent, he probably would not have introduced the resolution. This sum is greater by one and one-half the national deficit which the present revenue tax is trying to correct. It is three times greater than the total amount to be provided by the revenue bill.

"Since the LaGuardia tax provision was passed, the stock of the American Telephone & Telegraph Co. has been deflated by \$180,000,000.

"Of the 644,783 stockholders, over 600,000 of them own less than 100 shares apiece. These stockholders each owning less than \$10,000 worth of stock are being terribly penalized by the LaGuardia tax bill.

"Perhaps it is all right to soak them on the theory that they are rich, but I doubt if they think so."

And this was in the face of a decline which was daily and constant, long before the tax bill was reported. A prominent and honest and patriotic financier writes me in reference to these two circulars:

I am inclosing two clippings from the Boston News Bureau, one from the issue of March 3 and the other from the issue of April 4. Each is interesting in the light of the other and both are interesting in the light of interim events.

When the first one was issued the Dow-Jones Industrial average stood at 86.23. By the end of the month it had declined to 73.28 and by the 5th of April to 63.07. Anyone who purchased at the higher level would, if he had maintained his commitments, have suffered a loss by the end of the month of 11 points, as measured by the Dow-Jones average of 16 points by April 5. Messrs. ——— & ——— do not concern themselves with the first part of the loss but only with the second, for which they try to hold you responsible.

The decline in April was merely an extension of the decline which began in the first part of March. This decline, with the exception of two or three minor reactions, has been continuous. It has been due to generally unsatisfactory business conditions; recessions in car loadings, in electrical output, in steel-ingot output, and uncertainty regarding the maintenance of dividends in the case of the American Telephone & Telegraph Co., the dead certainty that they would not be maintained. All this was well known to Messrs. ——— & ———. It only shows to what lengths such forces will go to confuse and to humbug the public mind.

Some modification may have to be made to fit the 5 and 10 cent stocks, but otherwise I regard the stock-transfer tax measure accredited to you as wholly admirable. It will have no harmful effect upon the workings of stock exchanges as true and free market places. It will work no material hardship to the true investor nor to the investor trader. The only element that would be handicapped and impeded by it is the professional element; and their operations, in the main, are of such a nature that workings of the stock exchanges as true and free markets are interfered with.

And in the face of all that this propaganda is going out. They have come before us with a threat of a panic every time we were on the eve of voting for any measure. They—and when I say they I mean these same stock-exchange officials, stock brokers, and the dole beneficiaries of the Finance Reconstruction Corporation—even threatened the Senate that if they proceeded with the short-sale investigation they would bring about another panic. Every time that we are

considering legislation we have these same threats of panic, and then we have this propaganda going out which in turn shocks confidence. The Street will cry "wolf, wolf" just once too often some day.

Mr. BALDRIGE. Mr. Chairman, will the gentleman yield?

Mr. LA GUARDIA. Yes.

Mr. BALDRIGE. I do not see why the gentleman continually talks about the New York Stock Exchange, when out in Nebraska where I live the business firms, the newspapers, are criticizing us just as severely on this sales-tax matter, and they are not in New York.

Mr. LA GUARDIA. Certainly. It is inspired. There small banks are at the mercy of the New York institutions, and the merchants are misled. But I doubt if the gentleman's statement reflects the real sentiment of his State.

Mr. BALDRIGE. We should not concentrate on the New York stock market, because business concerns and newspapers in my country think we made just as great a mistake on this tax matter as they do in New York.

Mr. LA GUARDIA. I doubt that. Many business concerns and many small banks are absolutely at the mercy of the people I refer to. The circular instructions I have just read indicate the source of this propaganda. Nothing has happened in the last few days to decrease the value of any American industry. The decline has been going on long before our tax bill. In many instances the decline has been purposely and wickedly artificially created, as stated by President Hoover last February.

Mr. BLANTON. They may just as well prepare for a new panic, because I now predict that when the Senate gets through with the tax on stock transfers on Wall Street they will raise it, because no other tax in the revenue bill is more just or more warranted.

Mr. LA GUARDIA. There is a movement throughout the country which affects the State of Nebraska and every other State, which is absolutely inspired, selfish, sordid, dishonest, and the same people who talk about balancing the Budget are shaking the confidence of the American people. Why, these brokers are fouling their own nest. The American people are getting a liberal, though costly, education on stock exchanges, and soon, tax or no tax, business will be limited to the professional traders. They made this same threat of a panic when we were considering the moratorium, when we were considering the Reconstruction Finance Corporation bill, when we were considering the Steagall-Glass finance bill, and when we were considering the tax bill. Let me again read what President Wilson told these gentlemen of panic tendencies on December 17, 1912:

I know that certain men make artificial panic in order to impress the country that something about to happen is going to happen wrongly. I don't fear such men. I don't believe any man alive dares to start the machinery of such a panic, but if any man does, I promise him I will build a gibbet for him as high as Haman.

That ought to be repeated to the country every day. I am going to read that statement every time a threat comes of a panic from New York, from Nebraska, or from any place else; and let me say to my colleague from Nebraska, that a man who purposely and maliciously creates a panic is a crook, and a crook is a crook whether he lives in Nebraska or lives in my city. [Applause.]

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. BALDRIGE. Mr. Chairman, I ask unanimous consent that the gentleman's time be extended for one minute in order that I may ask him a question.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. BALDRIGE. Mr. Chairman, will the gentleman yield?

Mr. LA GUARDIA. Yes.

Mr. BALDRIGE. It may be that the best people in Nebraska really and sincerely think that we made a mistake in not putting through the sales tax, and maybe they are not influenced by this propaganda from New York as the gentleman says.

Mr. LA GUARDIA. If that is true, then I am sure that their beliefs are based on proper grounds and that they are proceeding with proper motives and without a threat of destroying the country by creating a panic.

Mr. GILCHRIST. Mr. Chairman, the sentiment expressed by the gentleman from Nebraska [Mr. BALDRIGE] is not true across the river on the Iowa side, with the exception of one newspaper that is published within 3 or 4 miles of where the gentleman lives.

Mr. BLANTON. Mr. Chairman, I ask unanimous consent to withdraw my amendment to strike out the enacting clause, which was pro forma.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. WOODRUM. Mr. Chairman, I ask unanimous consent that debate upon this paragraph close in 15 minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. KELLER. Mr. Chairman, I only want to take one-half minute of time to serve notice that I shall at a future time hope to impose on your good nature by answering that part of the statement of the gentleman from St. Louis that had to do with flag furling and making excuses for the men who have served their country. I shall at a future time take this opportunity because I do not believe that America has ever entered into a war for which any man ought to be permitted to apologize at all on the floor of this House. [Applause.]

The Clerk read as follows:

No part of this appropriation shall be expended for the purchase of any site for or toward the construction of any new hospital or home, or for the purchase of any hospital or home; and not more than \$5,030,023 of this appropriation may be used to repair, alter, improve, or provide facilities in the several hospitals and homes under the jurisdiction of the Veterans' Administration either by contract or by the hire of temporary employees and the purchase of materials.

Mr. PATMAN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I will admit that the Government of the United States has been very liberal and generous in dealing with veterans of the World War, their widows and orphans, but I do not believe it is right to charge all expenditures of public funds that are being used for veterans and their dependents to the World War veterans. The World War veterans have not received all the rights and benefits that were given to veterans of other wars, and I do not believe all such benefits will be asked for.

It is often said that the World War veterans are now costing the Government a billion dollars annually. Of course, people who really have the correct information do not make this statement. It is not a correct statement. The cost of the veterans of the World War, their widows and orphans, including charges against the Government for compensation, service-connected disabilities, disability allowances, hospitalization, administration, and other expenses, I suspect, would run around one-half that sum, but I doubt that it would exceed one-half of a billion dollars annually unless you charged against the veterans the amount that the Government is expending for insurance, which the veterans themselves paid for when they were in the service and which they have been paying for since the war.

I want to talk to you about what the gentleman from Missouri [Mr. DYER] said, that the veterans should not say anything more about payment of the adjusted-service certificates at this session of the Congress.

I want to tell you that I honestly believe the Congress of the United States will pass this bill; and if the President vetoes it, it will be passed over his veto, not for the only purpose of helping the veterans of the United States but in order to help the country, and when the committee meets next Monday morning to consider the proposal, if I am permitted to make a statement before the committee at that time, the first statement I expect to make is that unless we can show that the payment of the adjusted-service certificates will promote the general welfare we are not entitled to win, we are not entitled to ask the Congress to pass the bill.

Mr. MORTON D. HULL. Will the gentleman yield?

Mr. PATMAN. If I have the time; and, Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. MORTON D. HULL. Will the gentleman yield?

Mr. PATMAN. Just briefly; yes.

Mr. MORTON D. HULL. Did not the gentleman make that same statement before with reference to the effect upon business conditions?

Mr. PATMAN. No; not as to the 50 per cent loan. I know what the gentleman is going to ask. I said that about paying it all, but you did not pay it all. Furthermore, it did help a great deal in my section of the country and all over this Nation, and this is what an economist, who is one of the best in the country, said to me a few days ago. Just about that time we had the collapse in Europe, and had it not been for the paying out of this large sum of money in the United States we would have felt the hard times over here much earlier than we did. It was very helpful in my section of the country and I know sections of the Nation where this was the only new money that entered that particular section.

You will ask how will this money be paid. I say it can be paid by the issuance of currency, legal tender. I make this statement after a thorough investigation of many years; I make this statement after talking with the leading economists of this Nation; I make this statement after reading practically every book that has been written by any famous economist of the world. I believe it is absolutely sound.

They say it is printing-press money. Why, yes; like all currency. We have five kinds of currency to-day, and paper money is preferred to coin. You never use gold in your local relationships or transactions. Gold is not used here. We only use gold when dealing with foreign countries, and if you refer to the proposal I suggest as printing-press money, the paper money of to-day is printing-press money. Let us see what is behind that money.

Mr. PERKINS. Will the gentleman yield for a brief question?

Mr. PATMAN. Yes.

Mr. PERKINS. Does the gentleman seriously state to this House we are now off the gold standard?

Mr. PATMAN. I say that we do not use gold; we use paper currency. No one ever demands gold.

Mr. PERKINS. "Off the gold standard" is what the gentleman said.

Mr. PATMAN. No; not off the gold standard; but we do not use gold here.

Mr. PERKINS. That is a vastly different thing.

Mr. PATMAN. I said we do not use gold here.

We do not want to go off the gold standard; it is not necessary to do it. Some one suggests that my proposal would put us off the gold standard. We have a double gold standard; we have 80 per cent gold back of the currency instead of 40 per cent. Forty per cent is the gold standard. We can pay the adjusted-service certificates in full in cash, and still have more than 40 per cent gold remain. Oh, we will be on the gold standard, and the gentleman will agree with me that as long as we have 40 per cent gold we will be on the gold standard.

Let me suggest that the testimony before the Banking and Currency Committee recently disclosed that England stayed on the gold standard 100 years, and all during the World War, and did not have over 10 per cent in gold. If England can do that, we ought to stay on the gold standard with 40 per cent gold.

Let me further state that one of the most important bills pending before Congress now is a bill to stabilize the purchasing power of money and to regulate the prices of commodities.

Go and get the hearings recently conducted by the gentleman from Maryland [Mr. GOLDSBOROUGH], who is chairman of that subcommittee. They have heard some of the

best economists in the Nation. They had Dr. Irving Fisher, of Yale University, before them. He recommended putting money into circulation to raise commodity prices to the 1926 level and stabilize them there. He was asked how he would go about it, and he said that you can issue currency in exchange for United States bonds. Another way, he said, is to pay Federal employees with currency. He said you could do it that way.

Now, Dr. Irving Fisher is a great economist. The gentleman from Mississippi [Mr. BUSBY] has given this subject much thought. Every Member of the House should read his speeches on the subject, if they have not already done so.

Dr. Willoughby I. King, who is considered one of the greatest economists, from Yale University, testified before the subcommittee. He says what the country needs is to put new money in circulation, so that economic conditions will respond. He was asked how he was going to do it, and he said you can issue currency in return for United States obligations. Then he was asked, How much money would you put in circulation? Doctor King replied, "Well, I will answer it in this way: If my automobile is at the foot of the hill and has no gasoline, and I want to get to the top, if I should try to figure out just how much gas it would take to put my machine to the top, I could figure from now until doomsday and never arrive at the exact amount; but the answer is, put in enough gas to go to the top." He said, "I would put in enough money to restore commodity prices to the level where they should be, where people can pay their debts, and have sufficient money in circulation."

Now, I want to refer to the money you were talking about. I have some of it here. Here is a national-currency \$5 bill. What is behind that money? A banker goes to the Treasury with \$100,000 in Government bonds. The Treasury keeps the bonds as collateral, calls up the Bureau of Engraving and Printing, and has that bank engraved and printed \$100,000 in new money. The banker uses the money; he gets the use of the money and the interest on the bonds which he has put up as collateral. There are \$700,000,000 of that money outstanding.

That is the printing-press money that you are talking about, and there is not a penny of gold behind it. Why do you not call that rag money? Why do you not call that fiat money? You would accept one of them to-day just as quickly as you would accept a gold certificate for the same amount. Here is a United States note. Three hundred and forty-six million dollars of these are outstanding. They are the Civil War greenbacks that you have heard so much about. They went down to 35 cents on the dollar when they had nothing behind them but the credit of the Government. During the Civil War when General Early, of the Southern Confederacy, was about to take the Capital at Washington, the credit of the Government went down and the greenbacks went down to 35 cents on the dollar. I heard the distinguished chairman of the committee [Mr. CRISP] say here the other day that they were backed by 40 per cent gold. With all due respect to that gentleman, and I admire him for his courage and ability, he is absolutely mistaken. That money had not a penny of gold behind it until 1900, when a reserve of \$156,000,000 was set aside to secure \$346,000,000 of currency. That is 40 per cent gold reserve.

Mr. PERKINS. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. Yes.

Mr. PERKINS. There is gold behind all of the money that you have of the United States, because you can go to the Treasury and get gold for it.

Mr. PATMAN. Certainly; and take this silver certificate. There is no reserve for that. What is behind this silver certificate? One silver dollar.

Mr. PERKINS. You can go down and get a gold dollar for it.

Mr. PATMAN. Certainly; you can with this national currency also, because the credit of the Nation is behind it, not because there is any reserve. Take this dollar certificate, \$1 in silver. One dollar in silver is behind that. Do you ever refuse to take one of those?

No; they are good. You would give a dollar in gold for it, because the credit of the Nation is behind it, but, in fact,

there is only 25 cents in silver behind that dollar. It is good because the Government is guaranteeing it.

Mr. RANKIN. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. Yes.

Mr. RANKIN. I suggest, in answer to the gentleman from New Jersey [Mr. PERKINS], the fact that nobody has ever called for a dollar of that \$156,000,000 in gold shows that it is not necessary.

Mr. PATMAN. We have a Federal reserve note here, and we have \$2,800,000,000 of those outstanding. Do you ever refuse them? No. They are good. The law authorizes the issuance of these notes as long as there is 40 per cent gold reserve to back them up. The remainder can be Government obligations, but the credit of the Nation is behind them. That is the reason they are worth 100 cents on the dollar, and they will always be worth 100 cents on the dollar.

My plan is to issue currency, because we have sufficient gold to back it up. It is not the gold standard that is hurting us so much; it is the double gold standard that we are living under that is deflating this country. It is the standard that requires 80 per cent of gold instead of 40 per cent of gold that is causing this country so much trouble to-day. In 1920 we had \$55 per capita in circulation. We had \$2,800,000,000 in gold. You would think as your gold supply increased and population increased that the circulating medium would increase, but it has not done so. Instead to-day we have \$44 per capita in circulation and we have more than \$4,000,000,000 in gold. On a 40 per cent gold reserve it is sufficient gold to authorize the issuance of \$10,000,000,000 in currency, and if we were just following the gold standard, if we were just saying that 40 per cent gold was sufficient—and it is sufficient and in some cases four times as much as is necessary—we would be all right to-day, there would be plenty of money in the country, and the people would do business and would not be reduced to bartering. No economist in this Nation who is informed about the financial conditions to-day will tell you that there is a possible chance of our getting out of this depression until we put more money in circulation in order that commodity prices may rise.

Mr. YON. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. Yes.

Mr. YON. Take debts that were incurred prior to 1929, when there was a lower purchasing power on the part of the dollar—

Mr. PATMAN. I anticipate the gentleman's question. Many debts contracted in 1919, and lots of them were contracted then, have not been paid until this time. The farmers in the South had been renewing their debts. How much do they have to pay for the dollar in commodities? Three dollars and sixty-six cents. Take a debt contracted in 1926, and they have to pay \$2.48 back in commodities that they grow to pay that off to-day. How can you expect people to pay their debts? Schoolhouses were built, highways were constructed, public improvements were made. Bond salesmen were out encouraging people to float bonds in order that they might sell those bonds to New York and Chicago houses and make a commission on them, when commodities were worth something, on a 1926 level. But now they have gone down, and people will never be able to pay those debts unless commodity prices rise in some way. As it is now, they are paying two or three times as much as they would have to pay on the level when those debts were contracted.

Mr. MAY. And is it not a fact that these agents sent out to float these bonds throughout the country came out of the Federal reserve system?

Mr. PATMAN. I do not know. I am not informed on that. Think about paying these adjusted-service certificates, think what effect upon the Nation and commodity prices it will have. Let us give consideration to the Goldsborough bill that is being considered by the Banking and Currency Committee to-day. That is a bill that will do more good for the American people than any other piece of legislation pending before this Congress. The bill to pay

the certificates, if passed, will increase commodity prices. The Goldsborough bill will stabilize them.

The CHAIRMAN. The time of the gentleman from Texas has again expired.

Mr. WOODRUM. Mr. Chairman, I ask unanimous consent that all debate on this paragraph and amendments thereto close in five minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. STRONG of Kansas. Mr. Chairman, the reason we can take any \$5 bill, go down to the Treasury and get \$5 in gold, is because we are upon a gold basis. That is what a gold basis means; that every dollar of silver and paper money can be exchanged for gold; and whenever the time comes that we can not do that we will not be on a gold basis.

Mr. KELLER. Will the gentleman yield?

Mr. STRONG of Kansas. I can not yield now.

I would like to pay these service men the balance of their compensation. If I could find any way to do it safely, I would be glad to do it. It is true that we can issue paper money to a certain amount and maintain that money at par, but the question is, How far can we go? The hearings held by our committee this year, and for the last few years on this money question, have made it very plain that we can not issue an unlimited amount of paper money. That is the statement of all economists.

Suppose we should issue \$2,000,000,000 in paper money for the service men. Some farm organizations now are advocating that the farmers be refinanced at 1½ per cent. Why not, they say, issue \$9,000,000,000 of paper money to do it with? If we can issue it for the service men, why not issue it for the farmers? And if we can issue it for the service men and the farmers, why not issue it for reclamation projects? We can not do that because of the political features of this Government; different groups will ask that money be issued for this, that, and the other thing.

Mr. PATMAN. Will the gentleman yield?

Mr. STRONG of Kansas. Yes.

Mr. PATMAN. The gentleman opposes that because he says it will be a bad precedent, and not because it would be bad money.

Mr. STRONG of Kansas. When you ask me a question, ask me a question; do not ask yourself a question. [Laughter.] I say I am in favor of any safe proposition that will provide for paying service men now the certificates due in 1945, and we could issue a limited amount of paper money, but I do not think we should start upon the dangerous plan of issuing paper money to pay the different expenses or debts of the Government at the political demand of any group of our citizens. If we could do that, we would not need to increase the taxes. If we could do that, why spend three weeks passing a tax bill? Why not just start the printing presses and pay these debts of ours with paper money?

We should not do that because it is the experience of the nations of the world that it can not be done with safety to the Nation. That has been made very plain. Germany tried it, and Germany destroyed her middle class of people. We do not want to destroy the middle class of people in this country, but you will not protect the middle class of people or the service men by issuing paper money time after time to pay this, that, and the other debt, for that is nothing but the pledge of paper money, which is not money but a pledge to pay money; and if you will read the hearings that my friend quoted, you will see where I asked Professor Fisher how far we could go in issuing paper money. He said, "You must limit your issue." In this form of government, a political government, faced with demands of different groups to have this paper money, it is a dangerous course to embark upon.

Mr. PATMAN. Will the gentleman yield?

Mr. STRONG of Kansas. Yes.

Mr. PATMAN. The proposal is that no money will be issued unless we have 40 per cent gold behind it. Would

not the gentleman think that would be a sufficient basis for the issuance of money?

Mr. STRONG of Kansas. Yes; but you are not going to put any gold behind this money.

Mr. PATMAN. Oh, yes; we will put 40 per cent behind it.

Mr. STRONG of Kansas. Where are you going to get it?

Mr. PATMAN. We have it right in the Treasury.

Mr. STRONG of Kansas. No; we do not have it in the Treasury; if we had, then the Ways and Means Committee should not have recommended a bill to raise taxes to meet our Government expenses.

Mr. PATMAN. We have here, for instance, the statement of the Treasury on gold certificates outstanding, \$1,607,000,000. Those are gold certificates, backed by 100 per cent gold.

Mr. STRONG of Kansas. Yes; but pledged to the redemption of such gold certificates.

Mr. PATMAN. Six hundred million dollars would be ample security back of them.

Mr. STRONG of Kansas. No.

Mr. PATMAN. So, with the billion and six hundred millions of gold you have enough to support an issue of two and one-half billions of additional currency.

Mr. STRONG of Kansas. No; we have not. To be safe, we should follow the policy of the Federal reserve system. We should put up 60 per cent eligible paper and 40 per cent gold. In the Federal reserve, because of the failure to offer eligible paper during the last year, the situation arose where we had 20 per cent eligible paper and 80 per cent gold, and that is one reason why we passed the Glass-Steagall bill, so we might broaden the basis of eligible paper and get back again to 60 per cent eligible paper and 40 per cent gold.

[Here the gavel fell.]

The Clerk read as follows:

Compensation: For the payment of military and naval compensation, emergency officers' retirement pay, and disability allowances, accruing during the fiscal year 1933 or in prior fiscal years, for death or disability, provided by the act approved October 6, 1917, as amended, and the World War veterans' act, 1924, approved June 7, 1924, as amended (U. S. C., title 38, secs. 421-576; U. S. C. Supp. V, title 38, secs. 422-537), and the act entitled "An act making eligible for retirement, under certain conditions, officers and former officers of the Army, Navy, and Marine Corps of the United States, other than officers of the Regular Army, Navy, or Marine Corps, who incurred physical disability in line of duty while in the service of the United States during the World War," of May 24, 1928 (U. S. C., Supp. V, title 38, secs. 581-582), and for the payment of annuities authorized by the acts approved May 23, 1908 (35 Stat., p. 1325), and February 28, 1929 (45 Stat., p. 1409), to the persons named therein, including James L. Hanberry in lieu of James F. Hanberry, and John H. Andrus in lieu of James A. Andrus, \$356,250,000: *Provided*, That the act approved May 23, 1908 (35 Stat., p. 1325), is hereby amended by striking therefrom the name "James F. Hanberry" and inserting in lieu thereof the name "James L. Hanberry": *Provided further*, That the act approved February 28, 1929 (45 Stat., p. 1409), is hereby amended by striking therefrom the name "James A. Andrus" and inserting in lieu thereof the name "John H. Andrus."

Mr. WOODRUM. Mr. Chairman, I offer a committee amendment.

The CHAIRMAN. The gentleman from Virginia offers an amendment, which the Clerk will report.

The Clerk read as follows:

Committee amendment offered by Mr. WOODRUM: Page 49, line 18, before the figures "\$356,250,000" insert "and by the act approved January 31, 1931 (46 Stat. 1974)."

The committee amendment was agreed to.

Mr. SUMMERS of Washington. Mr. Chairman, I move to strike out the last word for the purpose of making comment on the provision which I have asked be carried in this veterans' bill, which permits the use of \$15,000 for treating a certain class of cases. I call your attention to this so that you who know of such cases may bring this to their attention. The disease I refer to is known as thrombo-angiitis obliterans, or Buerger's disease. It usually ends in gangrene. The lower extremities are most frequently involved, but sometimes the hands. Treatment is unsatisfactory. The treatment finally administered in most cases is repeated amputations. It may be the amputation of a toe, then another toe, and another; then a part of the foot,

then the foot; and then a part of the leg. So in these cases we usually have multiple amputations. There are many unfortunate veterans scattered over the country in the different hospitals who have had from 1 to 26 amputations. I have seen a poor victim of thrombo-angiitis obliterans who had 26 amputations. A pitiable sight; a pitiable plight. Yet the poor fellow was cheerful.

As a physician, I know that what is effective in the treatment of one case is not necessarily effective in the treatment of another, but baths in Soap Lake, near Ephrata, Wash., are apparently giving very satisfactory results in a number of cases and covering a period of as much as 10 years. Cases where amputations have been made, and the stump has not healed, and only the promise of future amputations was given the patient, have received satisfactory treatment at Soap Lake. By the use of baths in that water the wounds have healed, so that later amputations have not been necessary.

When first brought to my attention I confess I was skeptical, but after investigating several cases I became convinced that good results in a number of cases have resulted from these baths in these chemically charged waters.

After numerous attempts, covering several years, to interest the Veterans' Bureau and have them place a few cases at the Soap Lake health resort for treatment and observation, I took the matter up with all of the 32 Government hospitals and homes of all kinds west of the Mississippi River last summer and asked them to report to me the number of cases they had treated during the past two years, also their treatment and results. I had detailed replies from all of these 32 hospitals. At no place were the results equal to those achieved at Soap Lake, Wash., the lake to which I have referred. So without any additional appropriation or without any additional expense we have provided that the Veterans' Administrator may, in his discretion, send selected cases there for treatment and observation, to see if they may receive better results than they have been getting at other places. It was thought that Hot Springs, Ark., was probably the best place to send these cases, but correspondence with the officer in charge of the hospital there reveals that they do not get results from Hot Springs baths, and that they must resort to amputations or to other forms of treatment, and that they do not recommend that any of these cases be sent there for treatment.

Mr. SMITH of Idaho. Will the gentleman yield?

Mr. SUMMERS of Washington. Yes.

Mr. SMITH of Idaho. I would like to ask the gentleman from Washington if General Hines, the Administrator of Veterans' Affairs, is advised as to the wonderful curative properties of the water in Soap Lake.

Mr. SUMMERS of Washington. General Hines is advised. I talked it over with his medical officers repeatedly, and General Hines has agreed to and suggested the wording of the language in the bill which permits a total of \$15,000 to be expended for that purpose.

Mr. SMITH of Idaho. Why is it necessary to incorporate in legislation a provision that the Administrator of Veterans' Affairs should be limited to any particular amount in making the study provided for?

Mr. SUMMERS of Washington. The purpose of my amendment is to give the administrator authority to send nonservice cases and also service-connected cases to Soap Lake for observation and treatment.

Mr. Earl McKay, an ex-service man, suffered one amputation before coming to Soap Lake 10 years ago. He was told that other amputations would follow. He has lived at Soap Lake 10 years in comfort and good health, but has repeatedly told me that absence from the baths for a few days always results in deep dark discoloration of his foot and leg (as precedes the gangrene in these cases), but that the discoloration promptly clears up when the baths are resumed.

I have labored several years to secure a careful test of the treatment of thrombo-angiitis obliterans at Soap Lake with the sincere hope that service men from any part of the country may find relief from threatened gangrene of toes, feet, legs, fingers, and hands, and that they may be spared

the horrors of multiple amputations. I sincerely hope that the same good results may come to other veterans that have already been noted in a number of cases treated by these baths.

Mr. PATMAN. Mr. Chairman, I move to strike out the last two words, and would like to have the attention of the gentleman from Kansas [Mr. STRONG].

I know the gentleman is a distinguished member of the Banking and Currency Committee, and I know the gentleman is informed on financial matters, and I wish to apologize to him for even suggesting that he was mistaken a few minutes ago; but I do believe the gentleman is mistaken.

Mr. WOODRUM. Will the gentleman yield to me to submit a unanimous-consent request?

Mr. PATMAN. I yield.

Mr. WOODRUM. Mr. Chairman, I ask unanimous consent that all debate on this paragraph close in five minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. PATMAN. The gentleman stated, if I understood him correctly, that a gold certificate had 100 per cent gold behind it, but that all other paper money that is issued by the Treasury Department had 40 per cent gold and 60 per cent eligible paper.

Mr. STRONG of Kansas. No; I did not say anything of the kind.

Mr. PATMAN. Then I misunderstood the gentleman and I am glad I did misunderstand him, because the gentleman would have been clearly wrong. The United States note has 40 per cent gold and nothing else on earth behind it.

Mr. STRONG of Kansas. I said that it is redeemable in gold. I said every dollar of our money is redeemable in gold, whether it is paper money or silver money; you can always get gold for every dollar of United States currency.

Mr. PATMAN. That is because, of course, the credit of the Nation is behind it, and we have plenty of gold; but, as a matter of fact, there is a 40 per cent gold reserve set aside for taking care of this money, and there is no eligible paper behind it.

Mr. STRONG of Kansas. Of course, we have a reserve of 40 per cent of gold required behind our currency, because we have found from experience that 40 per cent of gold will handle the currency and cause its redemption in gold.

Mr. PATMAN. I am very glad I misunderstood the gentleman.

Mr. STRONG of Kansas. There will never be a time that 100 per cent of the money outstanding will be offered for redemption, but any time you take silver or currency to the United States Treasury you can get gold for it.

Mr. PATMAN. Certainly, because the credit of the Nation is behind it and we have plenty of gold. And we will always have plenty with a 40 per cent gold reserve.

Mr. STRONG of Kansas. But you could not do that if we were off the gold standard.

Mr. PATMAN. But I want to suggest to the gentleman that the plan I shall advance to pay the adjusted-service certificates is just that plan—back it with 40 per cent gold and 60 per cent obligations of the United States, and if that is fiat money, all the currency we have outstanding, except gold certificates, is fiat money.

I yield back the remainder of my time.

The Clerk read as follows:

Hospital and domiciliary facilities and services: For carrying out the provisions of the acts entitled "An act to authorize an appropriation to provide additional hospital, domiciliary, and out-patient dispensary facilities for persons entitled to hospitalization under the World War veterans' act, 1924, as amended, and for other purposes," approved March 4, 1931 (46 Stat. 1550), \$10,877,000; "An act to establish a branch home of the National Home for Disabled Volunteer Soldiers in one of the Northwest Pacific States," approved July 3, 1930 (46 Stat. 852), \$1,000,000; "An act to provide for the establishment of a branch home of a National Home for Disabled Volunteer Soldiers in one of the Southern States," approved June 21, 1930 (46 Stat. 792-793), \$1,000,000; in all, \$12,877,000, to be made immediately available and to remain available until expended.

Mr. EATON of Colorado. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. EATON of Colorado: On page 51, line 6, after the word "extended," strike out the period, insert a semicolon, and add "Provided, That in the purchase of supplies of every nature the prices therefor shall be required for delivery free on board cars at the freight depot nearest to the hospital or domiciliary facility to be furnished therewith."

Mr. WOODRUM. Mr. Chairman, I reserve a point of order on the amendment.

Mr. EATON of Colorado. Mr. Chairman, I wish to be heard on the point of order.

This amendment is directed to an opportunity to save at least 5 to 15 per cent on all supplies that are purchased by the Veterans' Administration. In the operation of the hospitals themselves I am told that the expenditure is about \$17,000,000. This is included in another total figure on page 46.

The amount of expenditure here in connection with new construction is \$12,000,000.

Under the present system of purchasing, the deliveries are required to be made at four central points, Chicago, Perry Point, New Orleans, and San Francisco.

As a matter of fact, in the Rocky Mountain region there are eight hospitals, and each one of them is tributary to three or four distributing points. For example, Fort Lyon, in Colorado, is tributary to Kansas City, Omaha, and Denver; Tucson, Ariz., is tributary to Kansas City, Denver, Los Angeles, and San Francisco; Boise, Idaho, is tributary to Salt Lake City and Denver; and so it goes all the way around the circle for an expenditure of \$17,000,000 in all their supplies.

The purpose of the amendment is to direct the Veterans' Administration to get its bid price for the goods purchased at the point where delivery is to be made and not at the four central stations to which the freight is included in the figures and then the freight is paid out to the distributive point.

Mr. BACON. Will the gentleman yield?

Mr. EATON of Colorado. Certainly.

Mr. BACON. Has the gentleman's amendment the approval of the Veterans' Administration?

Mr. EATON of Colorado. It has not the approval of the Veterans' Administration. I have had more or less of a discussion with the Veterans' Administration in trying to get them to place a distributing station, such as they have in Chicago and San Francisco, some place between Chicago and San Francisco, and out of the material furnished by them to show reasons why they should not have a distributing station in that district, it has been shown that for all the business there, amounting to three or four million dollars, they are paying anywhere from 5 to 15 per cent more for transportation on everything they get in that district than they would have to pay if they had prices on bids f. o. b. the hospital. So my suggestion in this amendment is to have the bid price given by the furnishers on all contracts to be delivered at the particular hospital instead of at the central stations in Chicago, San Francisco, Perry Point, and New Orleans.

Mr. BACON. Will the gentleman yield further?

Mr. EATON of Colorado. Yes.

Mr. BACON. It is my impression that the Veterans' Administration handles the purchase of its supplies in a more efficient and economical way, perhaps, than any other department of the Government, and I am sure that General Hines is going to get his supplies to the different points where they are destined as cheaply as possible, and unless he approves this amendment I believe it would be unwise for this committee to adopt it.

Mr. EATON of Colorado. I think that General Hines has not paid much attention to it, but Major Cutter has paid a great deal of attention to it, and the correspondence has demonstrated the difference in the prices.

Mr. WOODRUM. Mr. Chairman, I renew the point of order.

The CHAIRMAN. The point of order is sustained.

Mr. WOODRUM. Mr. Chairman, the Veterans' Administration has developed, over a period of several years, a system of centralized purchasing highly efficient and economical. Purchases of staple articles of foodstuff and standardized supplies are made by bulk contract and in such manner that the Government obtains the maximum advantage of competition and the resulting saving in cost. The effect of this amendment would be to destroy this system of centralized purchasing. One of the economical advantages of such centralized purchasing results from accepting bids and awarding contracts, if desirable, for the commodities in question f. o. b. at the factory or point of distribution. Throughout the western part of the United States, primarily, the railroads afford the Government what is known as land-grant rates, which are considerably smaller than regular commercial rates. Consequently in making these centralized purchases, if a saving can be made on these purchases on a Government bill of lading, the Government may take advantage of these land-grant rates.

The experience of the Veterans' Administration as shown by their records of these savings is that approximately \$60,000 a year is saved in this manner. The centralized purchasing of the Veterans' Administration involves an expenditure of approximately \$10,000,000 a year for all classes of supplies and commodities. Here again, by reference to the records, it is found that this represents a saving of approximately 10 per cent, or \$1,000,000 annually. In other words, if this amendment is passed, it would mean that the Veterans' Administration would have to abandon its centralized purchasing procedure at an increased cost to the Government of approximately \$1,060,000 a year.

There are other advantages to the scheme of centralized purchases other than the mere question of economy. Through centralized purchasing, the Veterans' Administration obtains a standardization of commodities so that the same food and the same supplies are utilized in every one of their hospitals and homes. The veteran hospitalized in California receives the same grade of food as the veteran hospitalized in Maine. Centralized purchasing also makes possible the inspection of all commodities so purchased, and insures the Government of obtaining the exact thing contracted for, properly tested, and accepted. In accomplishing this inspection, the Veterans' Administration utilizes the services of other Government activities which are competent and qualified through their governmental activities to determine that the specifications have been fully and completely complied with. This system of centralized purchases has been passed upon by the Economy Committee, and having received their indorsement as an economical measure, the Chief Coordinator, in appearing before the Economy Committee, has had suggested to him the possible extension of this system to other governmental activities.

I desire to call attention to the fact that the subcommittee has eliminated from this item an amount of \$1,161,732 by taking advantage of the decrease in the cost of supplies. If this amendment is adopted at an increased annual cost of approximately \$1,060,000, the entire effect of this saving would be lost, and we will have to increase this appropriation item to the approximate amount originally recommended in the Budget.

Mr. EATON of Colorado. Answering the statement of the distinguished chairman of the subcommittee, I submit that when a system of centralized purchasing causes goods to cost more money, then those who operate the system ought not to close their eyes to lower prices which may be obtained, not by decentralization but by availing themselves of the ordinary details incident to calculating the prices on goods. If a land-grant railroad rate is available to one hospital for supplies from one source, my understanding is that it is also available for supplies from any source. The requirement is only that the shipment be upon the land-grant railroad for rates applicable thereon. For other roads, the rates are alike to all shippers. Many of the hospitals are not located on land-grant railroads. This amendment

would not disturb the savings of \$60,000 said to be made annually.

In the Rocky Mountain region, the rates to Albuquerque, N. Mex., Fort Lyon, Colo., Sheridan, Wyo., and Hot Springs, S. Dak., are lower from Denver than from any other point. The land-grant rates from Denver are the same as commercial rates. Pueblo jobbers have the same common point rates as Denver. I think the same statement is true as to rates from Salt Lake City to Boise, Idaho.

A comparison of land-grant rates to several hospitals in the Rocky Mountain region is contained in the following statement from a freight tariff expert:

In order to make the present situation clear to you, I have rechecked all of the rates involved and made up-to-date tabulations of the current rates, including also the land-grant rates as quoted by Major Cutter.

An analysis of the current situation discloses the following: Prescott, Ariz.: Land-grant rates from San Francisco are lowest; canned-goods rate of 81 cents from Denver is lowest. Tucson, Ariz.: Land-grant rates from San Francisco are lowest; canned-goods rate of 81 cents from Denver is lowest. Bayard: Land-grant rates and canned-goods rate from San Francisco are lowest. Albuquerque: Commercial rates and canned-goods rate of 69 cents from Denver are lowest. Fort Lyon: Commercial rates and canned-goods rate from Denver are lowest. Sheridan, Wyo.: Commercial rates and canned-goods rate from Denver are lowest. Hot Springs, S. Dak.: Commercial rates and canned-goods rate from Denver are lowest. Helena: Land-grant rates and canned-goods rate from San Francisco are lowest. Boise: Land-grant rates and canned-goods rate are lowest from San Francisco.

Under date of January 15, 1932, Major Cutter, director of supplies of the Veterans' Administration, stated:

At the present time canned fruits and vegetables and certain other items of subsistence supplies are purchased centrally and distributed from San Francisco, Calif., to the following field stations of the Veterans' Administration:

Whipple (Prescott), Ariz.; Sheridan, Wyo.; Fort Bayard, N. Mex.; Tucson, Ariz.; Fort Harrison (Helena), Mont.; Boise, Idaho.

The Veterans' Administration hospital at Fort Lyon, Colo., is furnished the items in question from our supply depot at Chicago, Ill. When the new hospital now being constructed at Albuquerque, N. Mex., has been completed, distribution to that station will be made from San Francisco. The Veterans' Administration home at Hot Springs, S. Dak., is now purchasing locally its requirements for subsistence supplies, but when this station is included in the centralized plan of procurement, distribution will be made from the supply depot in Chicago, Ill.

The gentleman from Virginia [Mr. WOODRUM] also says that a million dollars is saved annually by centralized purchasing. I say that if the centralized purchasing bureau would take its bids for supplies f. o. b. the separate hospitals instead of f. o. b. the four central distributing warehouses, there would be an added saving of up to 5 per cent on a large part of the purchases. On some individual items, I am told, the amount would be 15 per cent. If you do not care to take my word for it, pass the word along to the Veterans' Administration and have it request the next bids to be made in the alternative for each hospital bids at the central distributing warehouse from which it is furnished its needs and bids at the hospital station. If traffic experts' figures may be relied upon, the latter will show a favorable differential.

My amendment is not proposed with any intention of disturbing the centralization of the purchasing procedure. What I propose will not decrease the \$1,060,000 said to be saved by the present system, but ought to add from \$50,000 to \$100,000 thereto. It is idle to assert that all or any part of the \$1,060,000 would be lost if bids are taken for delivery at the hospital station.

Mr. GOSS. Mr. Chairman, I move to strike out the last word. I want to inquire of the chairman of the subcommittee about two items of the new homes, one in the Pacific States and one in the Southern States. Has any definite location for these homes been made?

Mr. WOODRUM. Yes; the one in the Northwest has been authorized and is under contract. That is at Roseburg, Oreg., and the one in the South is at St. Petersburg, Fla.

Mr. HOGG of Indiana. Mr. Chairman, I move to strike out the paragraph.

Mr. Chairman, I compliment the chairman of the subcommittee on his reasonable attitude toward the items of this

appropriation bill. Briefly I shall discuss some important aspects of the present situation.

The economic catastrophe in 1929 did not just happen. It was the result of the uncontrolled greed of selfish interests which occupied strategic places in our economic life. They collected too large a part of the earnings of the enlightenment and energy of this generation.

AMERICA, A. D. 1929

In 1929, 500 individuals had an income of \$1,185,000,000. Seven hundred had an income equivalent to that of 2,000,000 farmers. Eighty-five had a million dollar greater income than the total income of the 420,000 men engaged in clothing-manufacturing industry.

Four per cent of the population of America owned 85 per cent of all the wealth of the Nation. Sixty million citizens had practically nothing. Two groups alone held 341 directorships in 112 banks, railroad, insurance, and other corporations. One man of this group made the boast that 12 men in the United States controlled the business of the Nation.

During the period of the World War to the depression beginning in 1929, wages and prices, both retail and wholesale, remained practically the same. The average productive capacity of all individuals in industry during that time increased 55 per cent. The groups controlling our industrial life could have lowered prices materially and thus produced an increased demand for goods that would have enabled the farmer who had only a small income to buy. But industries kept the profits, which had increased on an average of 72 per cent. Then having secured the profits and not seeing the handwriting on the wall, they overexpanded their business.

Within this time total national income increased less than 10 per cent. The number of men with incomes of over a million dollars increased over 1,400 per cent, or one hundred and forty times as fast. And the amount of money these men made in one year increased 1,300 per cent, or one hundred and thirty times as fast as the total amount of money made by everybody in the whole United States.

INSTALLMENT BUYING

Farm implements were so high that the farmer could not buy without going heavily into debt. Nor could he buy the other products of American factories because of high prices and his own low purchasing power.

To stimulate the dwindling market, installment buying was urged and cajoled on the public far beyond reason. It was usually financed by a heavy overcharge. By this method the worker in the city kept up the market for an additional time. With the farmer practically bankrupt, the city worker overburdened with debt, and markets gone, a great scheme was hit upon by speculators.

THE DELUGE

International Telephone & Telegraph stock was put to the public at 194. It shrunk to 26. The investors lost \$820,000,000. Montgomery Ward & Co. was sold at 156. It shrunk to 18. The investors' loss was only \$640,000,000. General Electric went to the public at 110. It shrunk to 45. The investors' loss \$1,580,000,000. General Motors sold at 92. It shrunk to 32. The investors lost \$2,610,000,000.

A survey of 25 of leading stocks and securities shows a loss to investors of \$16,000,000,000.

Meanwhile the international bankers bought outright or panned off on the public \$12,000,000,000 of foreign securities. Only those who heard the testimony as brought out by Senator HIRAM JOHNSON in the Senate investigation committee, or who have read the hearings, can realize how reckless and irresponsible was this action of the international bankers. It was the Son of Man who drove the money changers from the temple.

The record shows that in many instances these loans were urged on foreign states to make improvements which were not needed. No other country except our own could have withstood the shock. No wonder, then, these international bankers want the foreign loans of the Government canceled that they may first collect their own.

I have no quarrel with wealth, but I am opposed, as I think every good citizen should be opposed, to the vicious and dangerous methods which have too often been pursued by certain organizations of capital to squeeze from the American workingman and the American farmer unjust profits for their own greedy gratification. We can not sidestep these questions. They involve the physical and the moral well-being of 120,000,000 people. It is the business of government to deal with them and we must face the facts squarely.

THE SUPREME QUESTION

To attack the rich because they are rich and to assail capital because it is capital is one thing, but to insist that those who are in a position to influence the entire trend of social affairs shall operate in accordance with just means and honest principles is the supreme question before the American people to-day.

The man of vast wealth is not in possession of it to deal with it as he chooses, regardless of benefit or the welfare of society.

The god of gold is enthroned on too many hilltops in America. Clean living, virtue, and excellence in achievements are far secondary in the minds of too many lovers of luxury. The individual is rapidly becoming the hired man of big corporations. The golden rule is becoming the "gold in" rule.

FUNCTION OF GOVERNMENT

The first and primary function of our Government is to protect America and the American people from foreign aggression and to preserve and maintain justice and order at home. America is at peace with the world. Everyone knows that an adequate military and naval defense is our cheapest, best, and necessary means of maintaining that peace.

I do not mean to be critical of our Government. It is the best government in all history. It is my duty to point out the disastrous trends in it. Aside from maintaining peace with foreign nations, our Government is more officious than official. To-day our Government is engaged in a countless duplication of things which can and are being done by individuals and groups of individuals not in Government service.

The Government is giving vastly more attention to these secondary things than to the primary functions of government. The Government of the United States should not be engaged in any kind of business, study, investigation, or activity that is being substantially done or can be done by individuals or group of individuals not in the Government service. Our Government has gotten too far away from its real functions. Its feverish and expensive activities are too often neither useful nor necessary. Educational, medical, scientific, engineering, and other research organizations have facilities and experience for investigation that the Government need not duplicate.

LIFE AND PROPERTY UNSAFE

Twelve witnesses in a Federal criminal case were recently assassinated and no one was punished therefor. Crime and criminals abound. The Government must withdraw from its officious activities and concentrate its attention on official duties. Business men grow weary opening questionnaires from the Department of Commerce while they must send an armed guard to protect their messenger boy when he goes around the corner to deposit a small sum of money.

REDUCTION IMPERATIVE

With two exceptions, there is not a department in our National Government in which the activities could not be reduced by a large per cent with no harm whatever done to real governmental activities. There are many able men in Government service, but there are many experts who do not expert. The American people can not afford, and they do not want, a \$4,000,000,000 National Government.

The Government Printing Office is the model of efficiency. The Nation would get along just as well, and I believe endure as long, with one-third the printing that is done there. This is only an example. There are 800,000 employed in

the executive departments throughout the Nation. I have repeatedly urged lessening of appropriations and have introduced many amendments to that effect. A radical curtailment of hundreds of millions must and will be effected before adjournment. All higher salaries must be reduced.

STOCK-EXCHANGE TAX

There are 44 different stock exchanges in the United States. Taxes placed on their transactions by the House of Representatives will amount to \$50,000,000 a year. The abuses of the market and of selling short are recognized everywhere. Too many transactions are by folks who are seeking profits they do not earn. Gambling is encouraged and individual industry discouraged.

NO SALES TAX

To meet the deficit certain interests proposed a sales tax. They proposed thereby that a man rearing his children and endeavoring to support his family as best he can should pay a tax on every purchase that the tax on million dollar a year incomes and inheritance taxes should be less. The sales tax was defeated. It was the most unjust tax that could affect the poor and needy. A sales tax could not reach hoarded millions.

INHERITANCE TAX

I was one of those who advocated and voted for a 65 per cent inheritance tax on estates consisting of huge fortunes. It is the only method of safeguarding the future of the Republic. This inheritance tax on large estates is the most just and necessary tax. I will give a few of the large estates which have been left within the past two years: Thomas B. Slick, \$75,000,000; Colonel Friedsan, \$50,000,000; Payne Whitney, \$239,000,000; J. T. Dorrance, \$200,000,000; William P. Foss, \$30,000,000; Ella von E. Wendel, \$100,000,000; George F. Baker, \$75,000,000; R. Wanamaker, \$42,000,000; W. M. Wright, \$60,000,000; Samuel Hather, \$50,000,000; Abraham Erlanger, \$75,000,000; Edmond Bok, \$24,000,000.

In the American Economic Review of recent date it is shown that two groups of wealth at the present rate of increase will in 40 years own half of the United States.

Under the law as enacted by the House the maximum, 65 per cent, begins at \$10,000,000. That rate is not as high as the British rate. Strong influences are at work to weaken the national inheritance tax law. Unless there is a certain limit on the vast accumulation of wealth the future of our Nation is not safe.

INCOME TAX

When a mother works at a factory long hours for \$8 a week, and on this must support two or three children, it is difficult to understand the logic of those vast incomes which object to an income tax. They prefer a sales tax on what the mother buys with the \$8. I voted to materially increase the tax on high incomes. Lincoln and Edison earned a million a year, but did not collect it. Many are the doctors, the teachers, the ministers, and the scientists who earn great sums. They do not collect it.

TAX-EXEMPT BOND EVIL

To escape the payment of any tax, great fortunes buy tax-exempt bonds. According to a recent estimate, there are to-day outstanding more than twenty-five billions of tax-exempt securities. Nearly one billion is being issued by States and their subdivisions each year.

Tax-exempt bonds evade payment of taxes. They encourage the issue of the securities by States and subdivisions. They divert funds from the development of productive enterprises into nonproductive, wasteful, extravagant State and municipal expenditures. They are a safe haven for those who pay no tax.

No principle of taxation is more generally accepted or more just than that taxes should be levied in accordance with ability to pay. There should be no privileged class under our Government. A special privilege is granted to those who hold tax-exempt securities. It furnishes a convenient and constitutional means to escape taxation and thereby causes a great loss of revenue. It is in effect a subsidy to certain individuals and interests. Many fortunes use it to escape their just part of the public burden. The weak should not be forced to bear the burden of the strong.

I have placed on the House Clerk's desk a petition to discharge the Ways and Means Committee from the consideration of H. J. Res. 112, which I introduced, proposing a constitutional amendment to remedy the evil of tax-exempt securities. It should have the immediate and favorable attention of Congress.

RECONSTRUCTION CORPORATION

For some time it has been impossible for farmers, laborers, and business men to secure loans at banks which were members of the Federal reserve system. Regardless of the individual merit of the applicant, loans were not available. A national bank has many advantages given it by the Federal Government. Many of these banks even now are the biggest hoarders of money in America.

Last summer so many complaints were made concerning the failure of the Federal reserve system to function that I wired President Hoover, as many doubtless did, and suggested an enlargement of rediscount privileges in order that the public might be accommodated. The Reconstruction Finance Corporation was set up by Congress and authorized to rediscount on good security. It is prohibited from taking foreign securities. It is a part of the United States Government and has an authorization of \$2,000,000,000 capital for the service of American citizens.

NATIONAL BANKS

To-day a bank can rediscount good loans with the Reconstruction Finance Corporation without delay if it chooses to do so. Last week a small bank in a town of 400 people in my district rediscounted \$60,000 worth of notes for the farmers in that community.

Contrary to what we usually see in advertisements, the First National Bank of Fremont, Ind., a town of 800 people, advertised in the county seat paper at Angola, the Steuben Republican, that it is in position to rediscount paper in order to help agriculture and business. While many small banks are rendering this service, the vaults of many of the larger ones are overflowing with money, and few loans are available. These big banks have taken care of themselves and stopped there.

INTEREST RATES

There is no justification for the high rates of interest which most people must pay on loans. Bank failures have occurred with increasing rapidity. A bank guarantee law must protect the depositor, and a lower rate of interest must prevail.

DIGNITY OF LABOR

The greatest Man of all history worked at the carpenter's trade until He was 30 years old. At 33 He was put away by false leaders who cared more for self-gratification and power than for humanity. Who is there who can even calculate the value to the human race of the life of that Carpenter? No dignity excels the dignity of honest toil.

A few years ago a man who accumulated vast millions while most of his employees lived in huts too vile for description, said that a man is worth a dollar a day from his shoulders down, but from his shoulders up he is worth as much as he can collect. In that he did not regard labor as human. Of course, he gave away large sums. It is easier to be generous than just.

Labor knows better than anyone the misery and wretchedness which despotic corporations have in the past visited upon it. I am proud to have had a part in putting more humane provisions into the labor injunction law of America. Too long it had been denied the toiling masses of our land.

No workingman wants that which does not belong to him. Too often he has run an uneven race with the powers of great wealth. After a life of toil and economy he should not be forced to turn to charity in his last days.

"RED HERRING"

Dr. Charles Beard is America's outstanding living historian. He is learned and fearless. His books are understandable. Every thoughtful person should read his 800-page work on the Rise of American Civilization. It enables one to grasp more clearly the true proportion and significance

of events. The student of economic affairs will then see the significance of Doctor Beard's statement that some issues before the American voter are "red herring to drive the American people off the real trail."

ECONOMIC BALANCE

The foundation of social life is the home. The family is the basis of civilization. The test which I apply to all legislation is how its provisions will affect the welfare and the happiness of the American home. Unrestricted monopoly and concentrated wealth do not make for better homes. Watered stock and inflated salaries are a plague to America. If greed and selfishness in high places would for a season practice the teachings of the lowly Nazarene what a transformation there would be.

An economic balance must be established and maintained. Currency must be stabilized and the circulating medium increased. Families must be helped to purchase homes. The independent business man must be protected. Buying power must be restored to the farmer and to labor. Immigration must be further restricted. A definitely higher value must be placed on human life and on human welfare. [Applause.]

The Clerk read as follows:

State and Territorial homes for disabled soldiers and sailors: For continuing aid to State or Territorial homes for the support of disabled volunteer soldiers, in conformity with the act approved August 27, 1888 (U. S. C., title 24, sec. 134), as amended, including all classes of soldiers admissible to the National Home for Disabled Volunteer Soldiers, \$722,000: *Provided*, That for any sum or sums collected in any manner from inmates of such State or Territorial homes to be used for the support of said homes a like amount shall be deducted from the aid herein provided for, but this proviso shall not apply to any State or Territorial home into which the wives or widows of soldiers are admitted and maintained.

Mr. MCGUGIN. Mr. Chairman, I move to strike out the last word. No one can gainsay but that the hue and cry of the Nation and the need of the Nation are a reduction in public expenditures. We have reached that point where we can not pay the expenses without further increasing the tax burdens of the people.

Mr. WOODRUM. Mr. Chairman, I make the point of order that the gentleman is not addressing himself to the amendment under consideration.

The CHAIRMAN. The gentleman will proceed in order.

Mr. MCGUGIN. Mr. Chairman, I sincerely trust that at some time I may be able to discuss this matter as some others have done, but if it is the view of the chairman that I can not, I bow to his wishes.

Mr. HOPKINS. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD and include therein a letter I have written to the State commander of Veterans of Foreign Wars.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. HOPKINS. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following letter written to the State commander of Missouri, Veterans of Foreign Wars:

APRIL 8, 1932.

Mr. FRED WINDSOR,

State Commander Veterans of Foreign Wars,
St. Joseph, Mo.

MY DEAR FRED: I have your letter recommending the immediate cash payment of the adjusted-service insurance certificates.

Some time ago I was asked by your organization to make a thorough study of this proposition and inform them of my definite stand, either for or against the bonus. I have made this study as thoroughly as I know how, and have come to a decision.

To cash these insurance certificates at this time would require twenty-four hundred million dollars. The Government does not have this money and can not borrow it with safety to itself or fairness to the American people. The total income of the Government this year will be about \$2,300,000,000, or \$100,000,000 less than the cost of the bonus. Out of this we must pay \$640,000,000 interest (not on principal) on our war debt and \$700,000,000 for national defense (the Army and Navy). Over \$1,000,000,000 will be paid to veterans this year through disability compensation and hospital benefits. All other governmental costs are being met this year by money borrowed at higher than customary interest rates, because many United States bonds are selling below par.

Therefore it is not a question as to whether or not the bonus should be paid, but rather, can it be paid. Already our country is burdened with taxes and could not safely bear this additional tax.

I shall vote against the immediate cashing of these certificates with the firm conviction that by so doing I am being a better friend of the veteran than I would be if I voted for it. I believe that if the bonus is paid at this time by any of the means suggested by its proponents, the country will be definitely hurt, suffering prolonged and aggravated, and more men thrown out of jobs.

Various plans have been suggested as a means of finding the \$2,400,000,000 which would be needed to cash these bonus certificates, and most of them are as unsound as the latest proposal to start the printing presses and print fiat money, which if followed would send our currency along the same road as that traveled by the German mark after the World War and bring an economic chaos, which would most certainly directly affect every veteran who must work for a living and penalize every disabled veteran of much of his compensation.

I know many of the veterans feel that Congress made a mistake in creating the Reconstruction Finance Corporation, for which \$500,000,000 was appropriated (by borrowing) and authorization given to sell \$1,500,000,000 additional debentures, if needed, in the operation of making loans to banks, railroads, insurance companies, farm cooperatives, etc., which due to the depression were on the verge of collapse. However, the fact should not be overlooked that these loans are only made on security and must be repaid with interest. Under this plan the taxpayers are not expected to lose one dollar. The War Finance Corporation, a similar organization that functioned from 1918 to 1924, not only returned to the Treasury all money borrowed but made a profit of \$65,000,000. The Reconstruction Corporation is designed to do as well.

I want to emphasize that the Reconstruction Finance Corporation makes gifts to no one. Every disabled veteran who has his savings in a bank account should know that the Reconstruction Finance Corporation is in truth an agency for his protection as well as that of other depositors. Since its organization many banks in Missouri have been saved from failure, and the savings of many workmen have been thereby protected.

For example, the Treasury Department informs me that in January, 1932, there were 334 bank failures, but in February this number was reduced to 115 and in March to about 30. It is felt that the Reconstruction Finance Corporation, which was set up and organized January 22, 1932, was the saving factor in these cases.

In voting for the Reconstruction Finance Corporation I did not have in mind big banks or big interests, but I was thinking of the 25,000,000 workmen who have savings accounts or who are paying on homes, and I voted to save these savings accounts and to try to keep them from losing their homes as well as their jobs.

The veterans of this country who during the period of war offered to make the supreme sacrifice in its defense make up the most wholesome and patriotic group of citizens. This country is now facing a crisis that I sincerely believe is of greater magnitude than that faced in 1917. I am convinced that when the veterans of this country analyze both sides of the bonus question they will feel, as I do, that for the time being the demands for the bonus should be withdrawn until our country is again on its feet. I have confidence in their judgment and the fairness of the ex-service men, and feel they will approve of my decision in this matter, particularly when they know that I believe that to ask this measure at this time would have a disastrous effect on our beloved country. I feel certain that if your own organization, the Veterans of Foreign Wars, were again in session, and knowing the conditions as they now exist, they would vote to postpone their demands for the bonus until a later date.

I hope that you will agree with me in this matter; but regardless of whether you do or not, I want you to know that I expect to continue to make my office available for service to the disabled veterans, their widows, and orphans just as I have in the past.

Of course, you know that hearings on this matter begin April 11. Should evidence develop there that would justify me in changing my mind, I want you to know that I shall certainly give it fair and impartial consideration. I should have preferred not to have made my decision until after the hearings, but your letter as well as a letter from your national commander requested that the decision be made at once; therefore I am writing you this letter.

With kind regards, I am cordially yours,

DAVID HOPKINS.

Mr. MCGUGIN. Mr. Chairman, will the gentleman from Virginia yield?

Mr. WOODRUM. Yes.

Mr. MCGUGIN. I want to keep within the rules. I would like to have an expression from the chairman whether it is his view, after the gentleman from Texas and half a dozen more on his side of the House this afternoon spoke outside of the bill that no one else shall be allowed to do so?

Mr. WOODRUM. Not at all.

Mr. BLANTON. Mr. Chairman, I ask unanimous consent that the gentleman from Kansas may proceed for five minutes out of order.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. MCGUGIN. Mr. Chairman, I respectfully decline to speak under circumstances different from those under which anyone else has spoken.

The Clerk read as follows:

Total, Veterans' Administration, \$949,237,795: *Provided*, That no part of this appropriation shall be expended for the purchase of oleomargarine or butter substitutes except for cooking purposes.

Mr. BLANTON. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment by Mr. BLANTON: Page 52, line 17, after the word "purposes," strike out the period, insert a colon, and add the following additional proviso, to wit:

"*Provided further*, That no part of this appropriation shall be expended to pay any salary or retired pay to one William Wolff Smith."

Mr. SWING. Mr. Chairman, I make the point of order that the amendment is not germane.

The CHAIRMAN. The Chair overrules the point of order.

Mr. WOODRUM. Mr. Chairman, will the gentleman from Texas yield to me to make a request?

Mr. BLANTON. Yes.

Mr. WOODRUM. I ask unanimous consent that debate upon this amendment conclude in 15 minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. BLANTON. Mr. Chairman, I realize full well that it will be impossible to pass this amendment to stop the \$9,000 salary and additional retired pay of \$187.50 per month that is being drawn by William Wolff Smith.

One excuse after another will be offered for not cutting him off. It will be said that this is not the proper time. There will be another excuse that there ought to be a special bill and that it ought to come from a legislative committee. Some one will contend that there must be a hearing. And my amendment will be defeated, and "Poker Bill" will continue to draw his \$9,000 salary and his \$187.50 per month additional as retired pay, while veterans who saw actual service abroad and who are totally and permanently disabled are on their backs, turned down by Smith's legal department, are drawing nothing, with their wives and little children starving to death.

But it will not be my fault. It will be the fault of those who hunt up excuses not to cut him off. He could be cut off now. If Members here would pass my amendment in this bill as law he could not thereafter draw his \$9,000 salary and his \$187.50 per month retirement pay. They would stop him. They could thus cut him off. Then he could be given a hearing, while his pay was suspended. Then a bill could be considered before a legislative committee. Then the committee could vote out the bill. Then, after months, the committee could get its day to call its bill up. Then the committee could pass its bill, but during all of these months that it takes such a legislative bill to be passed here by a committee William Wolff Smith would not be drawing his \$9,000 salary and his retired pay of \$187.50 per month additional from a depleted Treasury.

I have done my duty. I have made the investigations and gathered the facts and have placed same before the Congress. I have offered an amendment, now before the House, which, if passed, would cut off this salary and retired pay Smith has never earned and to which he is not entitled. I have shifted the burden of cutting Smith off from my shoulders to the shoulders of my colleagues in the House and in the Senate. If they permit it by their votes, they will be responsible.

Every statement of fact asserted in my House Joint Resolution 355, which appears on pages 7813 to 7817 of the CONGRESSIONAL RECORD for yesterday, April 8, 1932, is absolutely true and can be established by abundant, convincing, and overwhelming proof.

It is true that this Resolution 355 has been referred to the Committee on Military Affairs and that such committee has granted me a hearing, to begin next Wednesday morning at 10 o'clock. But this resolution affects all retirements and all retirement pay in the Army, Navy, Marine Corps, and for emergency officers, and it may be some time before such hearings close, and it will be some time before this committee can report a measure to correct the present abuses, discriminations, and injustices; and after favorably reporting such a measure it will be months before such committee can get its day to pass it.

Realizing that these months of delay must occur, I have offered this amendment, to stop right now this unearned salary of \$9,000 and this unmeritorious retired pay of \$187.50 per month additional that William Wolff Smith is unjustly drawing from the Government. Now is the time and the place and the means to stop it. When you colleagues of mine who find some excuse to keep you from voting now to stop it go back to your homes this summer, and veterans who were totally and permanently disabled in France who are drawing only a hundred dollars per month ask you why you did not vote to stop William Wolff Smith from drawing retired pay of \$187.50 per month in addition to his \$9,000 salary, do not tell them that you could not have it stopped, because you can by passing my amendment into law, but state your excuse for not stopping it and let them pass on whether or not they consider your excuse good and reasonable.

I have shown you heretofore, and it is clearly and succinctly stated in my Resolution No. 355, and it can not be truthfully denied, that in a libel suit brought by Smith, Collier's Weekly defeated him by establishing before a court and jury the truth of its publication charging that said William Wolff Smith was "a sort of a journalistic lobbyist; that the National Wholesale Liquor Dealers' Association employed Smith to mold public opinion against pure-food measures and to oppose legislation sought to prevent fraud; that Smith could be hired on either side of a controversy; that he was a press agent for the highest bidder; and that Smith maintained a bureau in Washington to taint the news and to corrupt public opinion; and that when Smith attacked Dr. Harvey W. Wiley, he was paid by interests opposed to the pure food bill; and that self-respecting newspapers will no longer publish his articles." Smith will not deny the above.

It is shown in the official court records of cause No. 50264, at law, in the Supreme Court of the District of Columbia. Smith claimed that the above statements Collier's Weekly published about him damaged him, and he tried to make this magazine pay him a big sum of money. Collier's Weekly admitted that it published the statements, but it pleaded that all of such statements were true. And after hearing the evidence the jury found that such statements were true, and gave their verdict to Collier's Weekly against Smith, and gave him no damages.

This "sort of journalistic lobbyist," whom Collier said could be hired on either side of a controversy, and was a press agent for the highest bidder, and whose articles self-respecting newspapers would no longer publish, decided that a license to practice law might be worth something to him, and after attending some lectures, succeeded with 177 applicants in being licensed. He got a license, but that was about all he did.

I have shown that on October 29, 1918, just 13 days before the armistice, William Wolff Smith entered the service. He was then a broken down, disreputable third-class newspaper man—sort of a journalistic lobbyist who could be hired on either side of a controversy, and whose articles self-respecting newspapers would no longer publish—and in his examination the day before, on October 28, 1918, he was turned down physically, the vision in both eyes being declared defective, with three teeth missing and afflicted with hernia, but he got them to accept him for special and limited service, and got his swivel-chair commission as captain in the Sanitary Corps, and this was on October 29, 1918, just 13 days before the war closed. I challenge any Member

here to show that William Wolff Smith rendered any service whatever of any value to this Government during that 13 days of limited service in a swivel-chair job before the armistice.

Then on July 12, 1920, when he had the audacity to try to be commissioned as a lieutenant colonel in the Quartermaster Corps, the examining board certified that he was still defected just as he was when he entered the service 13 days before the armistice, and they certified that Smith was "physically disqualified and incapacitated for active military service, and that he lacked knowledge and experience."

I have shown that William Wolff Smith secured a position with the United States Veterans' Bureau on January 17, 1923, as a special expert at a salary of \$4,000, and within 15 days thereafter, through political influence, he secured promotion to the position of general counsel of said bureau at a salary of \$7,500 per annum, and when the Welch Act was passed he had it construed so that automatically his salary was raised to \$9,000. Up to the time he was made general counsel, Smith had never tried a case in his whole life. Yet he was to have charge of the legal department that handled claims for 4,000,000 World War veterans, their widows, children, and dependent parents.

He was put in charge of 65 lawyers, when he knew no law, when he was wholly unfamiliar with court practice, and when he was wholly unfit to try an important case. And he has never conducted but one case, and he lost that.

Illustrating just how little regard Smith has for the Public Treasury, I have shown that following his transfer from the Quartermaster Corps on January 17, 1923, to the Veterans' Bureau, he helped Miss Annabel Hinderliter to be transferred also from the Quartermaster Corps as a clerk-stenographer to the Veterans' Bureau at a salary of \$1,440 per year on February 1, 1923, and she was assigned to Smith's office, and under Smith she has received the following rapid promotions, to wit:

On May 1, 1924, her salary was raised to \$1,860; on July 1, 1924, her salary was raised to \$2,100; on October 12, 1925, her salary was raised to \$2,400; on October 31, 1925, her salary was raised to \$2,500; on February 12, 1926, her salary was raised to \$2,600; on June 29, 1926, her salary was raised to \$3,000; on September 7, 1927, her salary was raised to \$3,100; on December 27, 1927, her salary was raised to \$3,800; on June 30, 1928, her salary was raised to \$4,000; on July 12, 1928, her salary was raised to \$4,600; and on December 28, 1929, her salary was raised to \$4,800, she having secured a license to practice law, and rated a lawyer in Smith's office, with 64 other lawyers under him, few being qualified to try an important case in a courthouse. I challenge any Member here to show that any other employee of this Government, among the hundreds of thousands of them, have ever received as many promotions and as many big raises in salary as were granted to this lady in Smith's office. There are many high-class employees, able, efficient, faithful, and most valuable to the Government, who are now getting under \$2,200, and who have not had a raise in salary for the past 10 years. Is it fair to them?

I have already shown that in order to maintain his reserve-officer status said Smith applied to the Army on October 27, 1927, for reappointment as major in the Reserve Corps, and his physical examination then disclosed the same defective vision in both his right and left eyes, but no hernia, merely a scar being left from an operation he had secured gratis from Government doctors and surgeons, with free Government medicines, hospital, and nurses, all furnished during the 62 days he was in the hospital to have his hernia condition corrected, and mild throat trouble from tonsils was also noted.

I have shown that after succeeding in railroading through Congress the disabled emergency officers' retirement act, authorizing them to draw retired pay, which Congress passed over the President's veto on May 24, 1928, said William Wolff Smith promptly the next day, May 25, 1928, filed his application with the Veterans' Bureau, he being its general counsel, for his retired pay thereunder, it being the first

such application filed, and filed before the bureau had even formulated or printed forms for such applications.

I have shown that his application for retired pay filed May 25, 1928, having met with cool reception, said William Wolff Smith on November 27, 1928, as general counsel, filed with the bureau in a similar case, that of George E. Vantress, a legal opinion holding that a permanent disability rating of 30 per cent or more is authorized for hernia, which ruling said Smith in December, 1928, got approved.

I have shown that on March 18, 1929, said William Wolff Smith, general counsel, filed with his bureau his amended application for disabled emergency officers' retired pay, witnessed by Annabel Hinderliter, giving his business as the "private practice of law; address 400 Commercial National Bank Building," not disclosing he was general counsel, and had been since February 1, 1923; and his application not being favorably considered following his bureau examination on April 9, 1929, which disclosed that he had no service disabilities, Smith had his case heard before the Emergency Officers' Retirement Board, which after careful consideration found against him, such board on May 23, 1929, holding:

There was no aggravation of the hernia condition, that the degree of aggravation for defective vision was negligible, and that there was no evidence to show service connection for his pharynx, heaves, or tonsil affections, and that Smith was not entitled to any retirement benefits under said act, which decision against Smith was signed by Dr. B. A. Cockrell, Dr. C. J. Harris, Judge D. E. Smith, Hon. George B. Kolk, and Chairman J. D. Hayes, said William Wolff Smith being notified of said adverse decision on June 25, 1929; but on July 6, 1929, he notified Director Hines that he intended to file additional evidence, and if turned down he would appeal, and on July 13, 1929, he asked the director to have him examined again for hernia, stating that he was endeavoring to find some record of treatment in the service for pharynx and bronchial affection.

I have shown that on September 5, 1929, the chief of awards in the bureau with Smith requested the regional manager to examine Smith to determine whether his hernia condition required a truss, and the examination on September 23, 1929, indicated a truss.

I have shown that to obtain hospitalization and further examination said Smith on October 10, 1929, filed affidavits, one being sworn to on that date by Annabel Hinderliter, stating that since May 7, 1921, Smith had been her immediate superior, that he had suffered with a cough and "since I have known Major Smith he has always carried more than the usual number of hankerchiefs," and on October 25, 1929, Smith was ordered hospitalized at the diagnostic center to determine whether his hernia condition required a truss, and the severity of his alleged throat condition, and from October 31 to November 12, 1929, Smith was under observation and examination at the diagnostic center, from which it was determined that no truss was necessary, that his tonsils were affected, and that his larynx condition was mild.

I have shown that said Smith succeeded in having his case heard before another retirement board composed of N. E. Bateman, acting chairman; Dr. C. G. Collins; Dr. D. A. McDermott; and C. M. Taylor, which found no hernia disability, but that the tonsil, pharynx, and larynx affections existed prior to May 24, 1929.

I have shown that said case went to the division of appeals, whose chief on January 25, 1930, requested the adjudication service to report on the hernia status, and to the rating for larynx and pharynx affections, and it reported on March 24, 1930, that the hernia condition did not warrant rating, and that severe rating should not apply to any of the three throat conditions where of mild degree.

I have shown that on April 22, 1930, section A of the central board of appeals, having such case on appeal, filed its adverse decision against Smith, holding that the surgical E. E. N. T. and respiratory disability were not incurred in or aggravated by service, and that the tonsil, larynx, and pharynx conditions were mild to a no per centum degree,

which adverse decision against Smith was signed by Chairman Charles O. Shaw, Dr. Garrett V. Johnson, Dr. E. L. Robertson, Dr. J. M. Ladd, Dr. F. Manning, and Judge W. L. Piper. Only one member of that board, Jesse L. Hall, dissented; and it so happens that he (Hall) had recently been retired, and was drawing \$150 per month retirement pay, and at the same time was also drawing a salary of \$5,400 per year as a bureau employee; and on May 14, 1930, the case was forwarded to the chief, division of appeals, for recommendation.

I have shown that under date May 29, 1930, said William Wolff Smith requested said chief, division of appeals, to grant him a personal hearing and to allow him to be represented by Capt. Watson B. Miller, national chairman of the rehabilitation committee of the American Legion, which hearing was granted before a hearing group of the division of appeals composed of Dr. F. H. Clark, Dr. H. W. Tobias, Dr. D. W. Tastet, and J. Q. Buzbee, on August 1, 1930, when Smith appeared in person, and also by Captain Miller, Dr. H. D. Shapiro, and J. H. Sheehan, of the American Legion, said Captain Miller testifying that since 1923 (when Smith became general counsel) he and Smith "have traveled extensively together from one end of the country to another, many times sleeping in the same room in hotels and on trains; scores of times during that period we have played golf together; frequently when playing golf together I have noticed that he held his hand in that position.

"I have also seen him walk a long distance over the holes with golf club in one hand and his other hand pressed on his lower left side; * * * Major Smith and I are about the same age and weight; on 25 or 30 occasions, when we have been doing similar things, he has had to quit before I did; on one occasion, when we were playing golf, he got as far as the seventh hole of a certain course we were on and quit, and didn't say why he quit, but he had some reason for doing it; it may have been associated with his service-connected disability;" and on August 5, 1930, Captain Miller wrote that Doctor Shapiro, of his office, had ascertained at Walter Reed Hospital that in 1920, when Smith was operated on there to correct his hernia, he had taken codeine and Brown's mixture for cough; and on October 14, 1930, the council on appeals, following recommendations of the hearing group, ordered that Smith be sent again to a hospital for observation and examination, and upon order of director dated October 17, 1930, said Smith remained at the diagnostic center under observation and examination from November 18 to November 28, 1930, and report was made on his tonsil, larynx, and pharynx condition and recommending operative procedure for hernia condition.

I have shown that on December 20, 1930, said council on appeals finally rendered Smith a favorable decision, holding that he had chronic bronchitis (an inflammation of the bronchial tubes, which many people have) with emphysema (commonly known as heaves, which many people have), said council being Acting Chairman J. R. Galbraith, who himself had been granted retirement pay of \$106.25 per month, and in addition was drawing a salary from the bureau of \$5,600 per annum, and George H. Lynch, who draws a salary of \$6,000, and Dr. T. B. Cracroft, who draws a salary of \$6,200 per annum from the bureau; and said William Wolff Smith was granted his retirement pay on January 5, 1931, of \$187.50 per month, and notwithstanding that he had drawn his \$9,000 salary during such time for practically no service of any value rendered, he received his back retirement pay of \$5,843.75, covering \$187.50 per month from the date he filed his application to said date of award, and he is now drawing \$187.50 per month retired pay and in addition is drawing an annual salary of \$9,000, rendering no service of any value to the Government therefor, while a private who is totally and permanently disabled from wounds and hardships suffered in the trenches of France is paid only \$100 per month.

Immediately after being discharged from his swivel-chair service, only 13 days of which preceded the armistice, said William Wolff Smith filed his claim (No. C-1379239), attempting to have his missing teeth charged to service origin,

but the hospital examination disclosed that there was no service connection whatever, and his nine teeth now missing are not the result of any service.

I have shown that General Hines has repealed and set aside Smith's decision on hernia, holding that it should not be rated as a permanent disability, Director Hines asserting, "I can not agree that it was ever intended that permanent ratings should be assigned where, by so doing, the action taken would be unfounded in medical science," and after full hospital observation, examination, and hearing it was the unanimous conclusion of the hearing group that Smith's hernia condition existed prior to his entering the service and was in no way aggravated by such service.

I have shown that in reporting the matter to Congress on February 4, 1931, page 4075, RECORD, I showed that because of his wild drinking and gambling parties and his playing poker and carousing, said William Wolff Smith was known all over Washington as "Poker Bill" Smith, that an influential politician secured his position for him and kept him in it, and said Smith has used the Veterans' Bureau for his own selfish purposes, aided and abetted by certain officials connected with the American Legion, like Capt. Watson B. Miller, who travels all over the United States with Smith and plays golf with Smith, and furnishes him with affidavits of no probative force and effect, to help him draw retired pay of \$187.50 per month from May 25, 1928, while at the same time drawing a salary of \$9,000 additional per annum, and having the Government furnish his entertainment, fun, and frolics for him at public cost, constitutes a scandal and disgrace, and an outrage and injustice upon every brave ex-service man who won victory in France and helped to save the civilization of the world.

I have shown that, following a recent investigation of Smith's office, Director Hines has taken about 60 attorneys away from Smith and placed them under the control of Judge J. C. O'C. Roberts, and allows Smith now to pass only upon insurance claims; he is still allowed to draw his \$9,000 salary and his retired pay of \$187.50 per month, which should be stopped; and he should be removed from office, for his Army examination showed that he was physically and mentally disqualified and lacked knowledge and experience.

I have shown that, by unanimous consent granted me by the House of Representatives on March 3, 1931, I caused to be printed the names, addresses, and retired pay drawn by all emergency officers who by the Veterans' Administration have been allowed retired pay, same being House Document No. 802, Seventy-first Congress, third session, embracing 157 pages, which list contains some officers who did valiant service and who were permanently disabled in brave combat, but such list also contains an army of doctors, lawyers, dentists, and other swivel-chair officers who are holding fat positions with the Veterans' Administration on big salaries and who are also drawing additional retirement pay each month as disabled emergency officers; and in my Resolution No. 355 I have printed 15 pages embracing the names of doctors, lawyers, dentists, and other employees who are drawing annual salaries as high as \$7,500 and, in addition, are drawing retired pay as high as \$250 per month.

I have shown that it costs the United States approximately \$13,000, not considering any capital charge, to graduate a second lieutenant from the Military Academy at West Point, and upon whom during his subsequent 20 years of service the Government expends thousands of dollars additional upon his intensive technical education and training; and under laws which the War Department has induced Congress to pass, authorizing retirement in certain cases at the age of 45 years, certain officers sound in mind and body have been retired in the very prime of life, who have immediately commercialized their qualifications acquired from Government training by seeking employment from corporations at big salaries, at the same time drawing their retirement pay for life from the Government, certain retired generals having received salaries of \$50,000 per year from corporations while at the same time drawing a general's retired pay for life from the Government; Gen. James G.

Harbord having been employed for years by the Radio Corporation of America while at the same time drawing his retired general's pay from the Government for life.

I have shown that Gen. Herbert B. Crosby is drawing his retired Army pay of \$6,000 per annum, and is also drawing a salary of \$9,000 as a Commissioner of the District of Columbia; and Gen. Mason M. Patrick is drawing his retired Army pay of \$6,000 per annum, and is also drawing a salary of \$7,500 as public-utility commissioner; and Gen. Pelham D. Glassford is drawing his retired Army pay of \$4,312.44 per annum, and is also drawing a salary of \$8,000 as major of Metropolitan police, they all three being active, hale, and hearty, and being furnished each with an automobile, its annual upkeep, and a chauffeur to drive it, and all having the privilege of buying all of their household supplies from the United States Army store at Government cost; and Gen. John C. Gotwals is drawing \$9,000 as engineer commissioner without rendering any service therefor, and as assistants to him Maj. Donald A. Davison is drawing \$5,748, Maj. Holland L. Robb is drawing \$5,748, and Capt. Hugh P. Oram until recently drew \$4,272, they also having the additional perquisites above mentioned, notwithstanding that the United States is making an annual contribution of \$9,500,000 to the expenses of the District of Columbia, all of such officers receiving free from the Government for themselves and families medical and dental treatment, medicines, and hospital and nursing service.

I have shown that it costs the United States approximately \$13,000, not considering any capital charge, to graduate an ensign from the Naval Academy at Annapolis, and upon whom during his subsequent 20 years of service the Government expends thousands of dollars additional upon his intensive technical education and training, and under laws which the Navy Department has induced Congress to pass authorizing early retirement, certain high Naval and Marine Corps officers sound in mind and body have been retired in the very prime of life, who have immediately commercialized their qualifications acquired from Government training by seeking employment from corporations at big salaries, at the same time drawing their retirement pay for life from the Government; a certain admiral having received a salary as high as \$50,000 per year from a corporation while at the same time drawing the retired pay of an admiral from the Government, such officers also receiving all of the perquisites above mentioned.

I have shown that such premature retirements from the Army, Navy, and Marine Corps are costing the Government a tremendous sum each year, and must be discontinued, the many thousands of such able-bodied officers thus retired on Government pay for life are taking jobs from civilian heads of families, who starve while such officers draw double pay.

I have shown that the act passed May 24, 1928, known as the "disabled emergency officers' retirement act" was inadvertently passed by Congress, over the veto of the President of the United States, under a misapprehension of facts, Congress being misled by misinformation from William Wolff Smith, general counsel of the United States Veterans' Bureau, as to its force and effect and as to the number of emergency officers involved who could be retired thereunder; and under its provisions and through the fraud and malfeasance of said William Wolff Smith, general counsel, the Veterans' Administration has up to January 23, 1932, retired with pay, averaging \$140 per month each, 6,935 emergency officers of the World War, many of whom entered the service just before the armistice, saw no combat service, but held swivel-chair jobs, and who in addition to their retired pay of substantial sums each month based upon presumptive disabilities, also hold important positions with and draw fat monthly salaries from the Government and thus reflect upon the standing of meritorious emergency officers who were permanently injured in combat service.

I have shown that during the World War our Government established the wise and just policy of valuing without distinction the life of a private on an equal footing with and

the same as that of an officer, granting on the life of each of them an identical policy of \$10,000 war-risk insurance.

I have shown that in all of its other wars our Government has made no distinction between officer and private in granting compensation, the pension drawn by a private being identical with that drawn by an officer.

I have shown that veterans of the Spanish-American War, whether private or high officer, draw alike a pension of \$35 per month for 50 per cent disability and \$60 per month for total disability.

I have shown that a private in the World War receives \$50 per month for a 50 per cent permanent disability and \$100 per month for total permanent disability, while a retired emergency officer who had the grade of lieutenant colonel receives a larger sum from the Government each month for a presumptive disability than a private receives who has had both arms and both legs shot off in front-line combat, which situation is inequitable, unjust, and intolerable, and such discriminations must be stopped and adjusted.

I have shown that William Wolff Smith has at all times been wholly unfit and unqualified to fill said position of general counsel, and he has been responsible for most of the miscarriages of justice in the Veterans' Administration; and I have shown that my report to Congress on the malfeasances of William Wolff Smith covering pages 3311 to 3320 of the CONGRESSIONAL RECORD for February 4, 1926, cited some of Smith's erroneous opinions, one being the Fenlaw case wherein, through stubborn stupidity, said Smith, without any basis therefor, wrongfully accused Roger Fenlaw's widow of forgery and disallowed her insurance, while on appeal and exhaustive hearing General Hines, director, ordered Smith to allow such insurance, which Smith refused to obey, defying his superior, and upon further appeal, Comptroller General McCarl held that Smith's position was without merit, and forced Smith to approve said claim, and after years' delay Widow Fenlaw received her deceased husband's \$10,000 war-risk insurance; and in the hearing before General Hines on November 11, 1925, I forced William Wolff Smith, in the presence of Senator SHEPPARD, to admit that in company with 177 other applicants said Smith had been granted a license to practice law in 1916 and never to the date of said hearing had he tried a case in court.

Mr. Chairman, I want every new Member in Congress to read my report on the Frederick A. Fenning case, covering pages 3723 to 3810, inclusive, in the CONGRESSIONAL RECORD for February 14, 1927. They will see that the perfidy of Fenning was interwoven with the perfidy of Dr. William A. White, of St. Elizabeth's Hospital, and of William Wolff Smith, general counsel of the bureau, that permitted hundreds of our afflicted ex-service men to be robbed. Read about the congressional hearing, resulting in the condemnation of Dr. William A. White that occurred in 1906, fully reported on page 3729 et seq. of the RECORD for February 14, 1927, and on page 3731 see where said Fenning had received from the Veterans' Bureau during William Wolff Smith's incumbency the enormous sum of \$733,855.87, money due veterans mentally afflicted, and see how Fenning robbed them, which caused me to impeach him and forced his removal from office.

Read on page 3766 of said RECORD for February 14, 1927, where Doctor White admitted that he and Fenning were partners, and carried a joint partnership account in the bank. Read the unanimous finding of the committee, of which our colleague from Vermont, Judge ERNEST W. GIBSON, was chairman, where after careful hearing they found Fenning guilty, and recommended his removal, and they were all convinced that Dr. William A. White was equally guilty. Read on pages 3798, 3799, and 3800 of said RECORD for February 14, 1927, the separate decisions of the members of the Judiciary Committee who conducted my hearing against Frederick A. Fenning, who had for his attorneys such lawyers as Frank J. Hogan, Levi Cooke, and Thomas B. Littlepage, and you will see that said members of said committee—Sam C. Major, A. J. Montague, H. St. George Tucker, Fred H. Dominick, Zebulon Weaver, Hatton W.

Sumners, and W. B. Bowling all condemned Fenning and said that he was unfit for office.

And you will see that Dr. William A. White was shown to be a confederate of Fenning, and most of said committeemen condemned him. See on page 3800 of said RECORD that Congressman RANKIN said:

There can be no question in the mind of a reasonable man who has heard or read the testimony but that there is a collusive arrangement amounting to a conspiracy between Commissioner Fenning and Dr. William A. White relative to these guardianship matters, and that that arrangement has existed for many years.

Dr. William A. White should have been discharged years ago. He has been protected by a distinguished official from California, and when we Democrats get back in power next year I promise that I will help run him out of office. Doctor White is the one who sold his services to such criminal lawyers as Clarence Darrow in several cases; and to help Darrow save the necks of the murderers Leopold and Loeb Doctor White received \$250 per day for the two weeks he attended this trial in Chicago, while at the same time he was getting \$7,500 salary, his home, food, servants, heat, lights, gas, water, medical attention, and fuel, for himself and family, from the Government, all free.

Note in to-day's paper that Darrow wanted Doctor White to testify for him in the case now being tried far away. The only reason that Doctor White is not accepting a fee in this case is that he knows the public is watching him now, and that I would get after him for it. He was glad to testify in the Thaw case. He was glad to make \$250 a day for two weeks in the Leopold and Loeb case.

I have done my duty. I have brought these facts to your attention. The responsibility of letting William Wolff Smith continue to draw this \$9,000 salary and this extra retirement pay of \$187.50 per month no longer rests upon my shoulders. I have shifted it to yours.

Are you going to permit this to go on? Why not stop it now?

Mr. RICH. Stop them all.

Mr. BLANTON. We are going to stop them all by an appropriate bill, but we ought to stop this parasite right now in this bill. [Applause.]

Mr. SWING. Mr. Chairman, I rise in opposition to the amendment.

The gentleman from Texas, one of the hard-working Members of the House, performs many valuable services, for which he is really appreciated, although the appreciation may not always be expressed. Occasionally, however, my good friend from Texas gets started on something near to an obsession, and when he does he throws all of his tireless energy of mind and body into such combats, going sometimes to extremes in results.

The older Members will recall that a couple of years ago the gentleman from Texas got an obsession about a Doctor White, superintendent of St. Elizabeths, and week after week and month after month he was denouncing Doctor White in unlimited terms and demanding that he be run out of the public service. Doctor White happens to be probably the most eminent alienist in America to-day, at least one of the most distinguished men of his profession, in his particular line; but he incurred, in some way, the opposition of the gentleman from Texas, and the Nation had an exhibition similar to the one he is making now, in which he is attacking Maj. William Wolff Smith, of the Veterans' Bureau.

I was surprised as I read my CONGRESSIONAL RECORD this morning to find the gentleman's purported resolution, which is obviously a display of his personal feelings, which destroys whatever there might have been of merit in all of the work he did in getting up that document.

Calling men names and showing personal feeling is productive of no particular good result. In the gentleman's resolution it is revealed that he and the chief counsel, William Wolff Smith, crossed legal swords in front of the director over some case in which Mr. BLANTON was interested; and apparently Mr. BLANTON's opinion of the chief counsel grows out of the fact that the chief counsel did not see a question of administrative law in the way in which the

gentleman from Texas saw it. Hence we have tirade after tirade against this man who volunteered to serve his country at a time when the war clouds looked dark and victory looked distant, at a time when an urgent appeal had been sent out that there was need in the Army for older men as officers. Smith was entitled to be exempt from military service, but he waived all of that and went in to help. No one then knew that the war was going to end in 13 days; and it is no reflection upon him or his patriotism that, past the age at which most men were going into the Army, he offered his life and his services to his country in its hour of greatest need. Remember, it was then being said by General Pershing, "Give me men and give me guns, and I will win this war in 1919," and many a man seriously, solemnly, and patriotically offered himself to his country at that time, not knowing when the war would end or where his offer would take him or what sacrifices it would entail.

Of course, this House is not going to take up out of order and undertake to pass upon the merits of a retired officer's case just because some Member has an enmity to satisfy or some man has a personal feeling to express. This is neither the time nor the place for that kind of a matter to be decided.

Mr. BLANTON. Will the gentleman yield for a question?

Mr. SWING. No.

Mr. BLANTON. I did not think he would.

[Here the gavel fell.]

Mr. WOODRUM. Mr. Chairman, how much time remains?

The CHAIRMAN. Five minutes.

Mr. WOODRUM. And that concludes all debate on this paragraph and amendments thereto?

The CHAIRMAN. It does.

Mr. ARENTZ. Mr. Chairman, the gentleman from North Dakota [Mr. BURTNESS] offered an amendment. The Chair recognized him and then the time was limited to 15 minutes. The gentleman from California stepped into the picture after the gentleman from North Dakota had offered his amendment, so where does the gentleman from North Dakota stand?

The CHAIRMAN. The chairman of the subcommittee is recognized.

Mr. WOODRUM. I will be glad to yield to the gentleman to offer his amendment.

Mr. BURTNESS. I can offer my amendment, anyway, but I would like five minutes in which to discuss it. I understood that time was allotted to me when I was ready to object to the 10 minutes' limitation.

Mr. SIMMONS. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. SIMMONS. It is my understanding that the 15 minutes' limitation of debate was upon the Blanton amendment and not upon other amendments to this paragraph.

The CHAIRMAN. It was on the paragraph and all amendments thereto.

Mr. SIMMONS. May I suggest to the gentleman from Virginia that he set that aside and allow us to discuss this matter.

Mr. WOODRUM. I will be glad to yield to the gentleman from North Dakota to offer his amendment, without taking me off the floor.

Mr. BURTNESS. If I should offer my amendment, that would not take the gentleman off the floor and would not take up any of his time. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from North Dakota offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. BURTNESS: To the Blanton amendment add the following: "Or any retired pay to any regular employee of the Veterans' Administration."

Mr. WOODRUM. Mr. Chairman, with reference to the amendment offered by the gentleman from Texas, I have never had the pleasure of meeting the general counsel of the Veterans' Bureau. I would not know him if he walked into this Chamber. I know nothing whatever about his

ability. I have heard the gentleman from Texas speak of him several times, and I know he does occupy the high and honored position of general counsel for the Veterans' Bureau. But entirely aside from the controversy between the gentleman from Texas and the general counsel of the Veterans' Bureau, this is no time or place to be settling that quarrel. If that man is unfit to be general counsel for the Veterans' Bureau, then certainly, if facts worthy of public notice are brought forward to show that he is unfit to occupy that office, public opinion will whip him out of office like it has other men. However, I do not want this committee, on this appropriation bill, to set a precedent of this kind.

With reference to the amendment offered by the gentleman from North Dakota, I am entirely in sympathy with an orderly consideration of the emergency officers' retirement law, which will take off of the rolls the men who were put there for presumptive disabilities. But I do not believe it is fair to say to an emergency officer serving in the Veterans' Bureau, who has been retired because of battle disability, that he shall not draw his pay. I happen to know of one man who has a tube in his side which must be dressed every day, and that is the result of an injury received in battle. It is not right to say that such a man can not have his retired pay and then say to a Member of Congress who is a retired emergency officer or a regular officer that he can draw his pay. That is rank discrimination, and I do not believe it is the fair or the logical method of approaching it.

I want to repeat what I said a year ago when we were considering this bill: This is a matter which should have careful, deliberate, and studied attention on the part of the legislative committee of this House, and after such attention that committee should bring in legislation that will cure this situation.

Mr. JOHNSON of South Dakota. Will the gentleman yield?

Mr. WOODRUM. I yield.

Mr. JOHNSON of South Dakota. Mr. Chairman, the gentleman from Texas and myself opposed this disabled emergency officers' bill. I am still opposed to very much of it. I think there should be a revision of it. A bill has been reported to the Senate which will cure many of its defects. I think that bill ought to be considered by a committee. I do not believe any man ought to be declared guilty by an ex parte hearing on the floor of the House.

I know nothing particularly about Mr. Smith. I have read many of his opinions, which have uniformly held in favor of the service men. Some of his opinions I do not happen to concur in. I would be glad to join with the gentleman from Texas before a committee in an effort to secure a proper revision of that statute, yet I do not think we should try the man here. Such action would result in taking men off of the roll who are working in the Veterans' Bureau, but men working for the War Department or for any other branch of the Government or private business would continue to draw their pay, yet because some man worked for the Veterans' Bureau he would be discriminated against, and for that reason I think we ought to kill both of these amendments.

Mr. BLANTON. Does the gentleman object to suspending the payment to him until we can investigate the matter?

Mr. JOHNSON of South Dakota. I do not think it ought to be suspended for any of them without a hearing.

Mr. BLANTON. The amendment merely provides for a suspension until we can have a hearing.

Mr. JOHNSON of South Dakota. I will say to the gentleman that the bill I would support would take 50 per cent of them off of the roll.

Mr. SIMMONS. Why not let us repeal the law and take all of them off the roll?

Mr. JOHNSON of South Dakota. With certain reservations I would be in favor of that, and I do not think there would be much opposition to it.

Mr. CONNERY. I will say to the gentleman that he will find plenty of opposition to taking this action with respect to the men who brought us over the top in France while the

Regular Army, Marine, and Navy officers, who never saw France, are getting retired pay.

Mr. JOHNSON of South Dakota. I will say to the gentleman that we can agree about that with respect to some of the combat-unit men, with whom we were quite familiar, and that is why I would want the matter to come up in the regular way.

Mr. WOODRUM. The gentlemen are not talking about the men who were over in France, but are talking about the men who had their feet up on a desk here in Washington.

Mr. CONNERY. The gentlemen suggested that all be taken off of the list.

Mr. SIMMONS. Mr. Chairman, may I make this suggestion to the gentleman from Virginia? We are discussing something which I think is very vital and I think it would be very advantageous if the gentleman would ask unanimous consent to extend the time so that we could discuss this for 10 or 15 minutes.

Mr. WOODRUM. No; I can not do that.

Mr. SIMMONS. Then I will say to the gentleman that while I am still opposed to the emergency officers bill in principle I think the fair way of doing it would be to limit this to those who have battle disabilities.

[Here the gavel fell.]

Mr. BURTNESS. Mr. Chairman, I desire to submit a request and to state my reasons for it.

In view of the parliamentary situation which has arisen, although I am opposed to the so-called general emergency officers' retirement pay, I offered this amendment largely for the purpose of discussing that question, so as to bring it to the attention of the House in the hope we might get some constructive legislation with reference to it. That being the purpose of offering my amendment, I now ask unanimous consent to withdraw it.

The CHAIRMAN. Is there objection to the request of the gentleman from North Dakota?

There was no objection.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas [Mr. BLANTON].

The question was taken; and on a division (demanded by Mr. BLANTON) there were—ayes 6, noes 70.

So the amendment was rejected.

The Clerk read as follows:

SEC. 2. In expending appropriations or portions of appropriations contained in this act for the payment for personal services in the District of Columbia in accordance with the classification act of 1923, as amended, the average of the salaries of the total number of persons under any grade in any bureau, office, or other appropriation unit shall not at any time exceed the average of the compensation rates specified for the grade by such act, as amended: *Provided further*, That this restriction shall not apply (1) to grades 1, 2, 3, and 4 of the clerical-mechanical service; or (2) to require the reduction in salary of any person whose compensation was fixed, as of July 1, 1924, in accordance with the rules of section 6 of such act; (3) to require the reduction in salary of any person who is transferred from one position to another position in the same or different grade, in the same or different bureau, office, or other appropriation unit; (4) to prevent the payment of a salary under any grade at a rate higher than the maximum rate of the grade when such higher rate is permitted by the classification act of 1923, as amended, and is specifically authorized by other law; or (5) to reduce the compensation of any person in a grade in which only one position is allocated.

Mr. LaGUARDIA. Mr. Chairman, I move to strike out the last word.

We have here in sections 2, 3, and 4 the usual sections that have been added to the appropriation bills. Section 3 was stricken from the Post Office and Treasury Department bill. The House is familiar with the subject matter, and I want to ask the gentleman from Virginia, in the event disposition is made of the similar provision in the Department of Agriculture appropriation bill, or any other appropriation bill, it will be treated in the same manner in this bill, so we will not have to go through the performance of opposing it at this time.

Mr. WOODRUM. That is satisfactory, I will say to the gentleman.

Mr. LAGUARDIA. It is the understanding, then, it will be treated the same as the other appropriation bills?

Mr. WOODRUM. Yes.

The Clerk read as follows:

Sec. 5. No part of any money appropriated by this act shall be used for purchasing any motor-propelled passenger-carrying vehicle (except busses, station wagons, and ambulances) at a cost, delivered and completely equipped for operation, in excess of \$750, including the value of vehicle exchanged where exchange is involved; nor shall any money appropriated herein be used for maintaining, driving, or operating any Government-owned motor-propelled passenger-carrying vehicle not used exclusively for official purposes; and "official purposes" shall not include the transportation of officers and employees between their domiciles and places of employment except in cases of officers and employees engaged in field work the character of whose duties makes such transportation necessary and then only when the same is approved by the head of the department. This section shall not apply to any motor vehicles for official use of the Executive Office.

Mr. BACON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BACON: Page 56, line 7, after the word "Office," insert a new section, as follows:

"That except as hereinbefore provided, in the expenditure of appropriations in this act, the head of every bureau, agency, or independent establishment shall, unless in his discretion the interest of the Government will not permit, purchase or contract for, within the limits of the United States, only articles of the growth, production, or manufacture of the United States, notwithstanding that such articles of the growth, production, or manufacture of the United States may cost more, if such excess of cost be not unreasonable."

Mr. BACON. Mr. Chairman, this amendment is identical with the amendment adopted on the War Department appropriation bill. It is identical with the amendment that was placed in the Navy Department appropriation bill last year. It provides simply that these independent offices must purchase their supplies in the United States.

Mr. WOODRUM. Mr. Chairman, the amendment is acceptable.

The amendment was agreed to.

Mr. LAGUARDIA. Mr. Chairman, I ask unanimous consent that an amendment which was approved by the House yesterday and which I offered may be slightly corrected. It will appear on page 8040 of the RECORD. It is an amendment offered at page 45, line 15, and I ask unanimous consent that in the first line of the amendment, after the word "appropriated," there may be inserted "or authorized."

Mr. WOODRUM. Mr. Chairman, I have no objection to the request.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. SIMMONS. Mr. Chairman, I move to strike out the last word. Day before yesterday in the committee the gentleman from Idaho [Mr. SMITH] offered an amendment which struck out \$40,000 for civil-service examinations of postmasters in the presidential class. When we get back into the House I am going to ask for a separate vote on that amendment with the hope that the House will see fit to restore that appropriation to the bill. The defeat of the Smith amendment will restore that provision.

Mr. GREEN. Does the gentleman think a civil-service examination is necessary for the first-class postmasters? They are not in my State.

Mr. MAPES. I hope the Smith amendment will be voted down and the item be restored.

Mr. SIMMONS. A civil-service examination for the eligible list of postmasters gives us a uniform standard of appointment for postmasters throughout the country.

Mr. GOSS. The other item of \$7,200 should be reinstated for the civil-service examination for the candidates for the Naval Academy and West Point.

Mr. SIMMONS. I think so. I think you should have those examinations for Annapolis and West Point.

Mr. BURTNESS. But the parliamentary situation is such that you can not have a vote on that. The only way you can get a vote on that is a motion to recommit. The gentleman can ask for a separate vote on the Smith amendment and get a direct vote.

Mr. GOSS. They are in a different paragraph.

Mr. FULBRIGHT. I want to call the gentleman's attention to a situation in my State, where there were three separate examinations given to secure appointments on the eligible list for postmaster. There were three on the eligible list all the time, but they did not happen to be the one that they wanted to appoint, and so they had three different examinations, until they got this man they wanted onto the list who had failed in the first two examinations. I would like to know what examinations have to do with appointments when you have that kind of politics resorted to?

Mr. SIMMONS. If the gentleman would ask the Civil Service Commission, it would be the proper place to get the information.

Mr. FULBRIGHT. I took it up with the Civil Service Commission, and they said they had nothing to do with it; it was the Post Office Department.

Mr. SIMMONS. I am going to ask for a separate vote on the Smith amendment, and that will give the gentleman an opportunity to vote for the restoration of the provision or to prevent the restoration of the item and put all postmasters on the pie counter.

Mr. WOODRUM. Mr. Chairman and gentlemen of the committee, we have about completed the bill, and I want to thank members of the committee for their indulgence and ask them if they will assist me in relieving an embarrassing situation. On yesterday, under the item of the Federal Trade Commission, I offered an amendment increasing the total amount of that appropriation by \$60,000, and making the \$60,000 immediately available. The purpose of that was to relieve a situation that would compel them to discharge 100 employees on the first of April, which they would have to do if they were not assured that there would be allowed them \$60,000 during the remainder of the fiscal year 1932.

The question has been raised whether or not in doing that the Appropriations Committee has not departed from the precedents the House set of not raising the budgetary estimates. I ask unanimous consent that we return to that item and that the amendment be corrected so as not to show an increase in the total amount of the appropriation, but simply to make \$60,000 of the amount we appropriate immediately available. The effect of that will be that it will allow the Federal Trade Commission to go ahead the same as if my amendment of yesterday had been adopted; and if at the end of the fiscal year they are short \$60,000, I am sure that Congress will take care of that as a matter of deficiency, and in that way we will be able to preserve the integrity of the rules of the Committee on Appropriations of not increasing the budgetary estimates.

Mr. PARKS. Is it not a fact that if this is done that they will necessarily be compelled to discharge some of the regular employees?

Mr. WOODRUM. Not any of them.

Mr. PARKS. Will it interfere with the power investigation?

Mr. WOODRUM. Not a particle. The only effect it would have would be to make them \$60,000 short in the 1933 appropriations, and the Congress and the committee can act on that and will act on it at that time.

Mr. SWING. Mr. Chairman, I reserve the right to object. The Federal Trade Commission has been cut more than any department or any independent establishment in the entire Government, having its appropriation cut 28 per cent. I appreciate the attitude of the chairman of the subcommittee, which, I am sure, is sympathetic with the splendid work which the Federal Trade Commission has done, particularly with reference to its investigations of the public utilities and the chain stores. If the public utilities—and I refer especially to the power companies—continue the present tendency toward pyramiding, with newly organized holding companies requiring the local operating company to earn dividends not only for the operating company but also for the holding company, then these corporations will take out of the pockets of the American people every year a hundred times what the total appropriation in this bill amounts to.

The inquiry in respect to public utilities ought to be pressed forward to a speedy conclusion, in order that this Congress may have a proper basis for legislating to protect the American people against this fast-growing monopoly. In this bill \$300,000 has been earmarked for the completion of the power investigation and the chain-store investigation, but the committee has assumed in doing that that it is possible to take off from the unfair trade practice investigations personnel and put them onto the power and chain stores work. This, however, is not possible, because the unfair trade practices are being investigated primarily by lawyers, whereas the chain store and the power matters are being investigated primarily by auditors. I am sorry the chairman is presenting this request. I think the total should be increased. I shall not object, however, when he says that it will be taken care of in the deficiency bill.

Mr. WOODRUM. I am thoroughly sympathetic with the work that the Federal Trade Commission is doing, and I believe that Congress is sympathetic with it.

Mr. SIMMONS. Mr. Chairman, will the gentleman yield?

Mr. WOODRUM. Yes.

Mr. SIMMONS. As I get the situation, the gentleman offered an increase of \$60,000 for the Federal Trade Commission, to be immediately available, believing that they needed the money, and now the gentleman proposes to withdraw that \$60,000 merely because the Budget had not estimated for it?

Mr. WOODRUM. No; to withdraw it as a direct appropriation, and instead to make \$60,000 of the remaining appropriation immediately available. The gentleman knows that there will be hearings in another body on this matter.

Mr. SIMMONS. In other words, the House is to surrender partly to the Budget and partly to the Senate?

Mr. WOODRUM. The gentleman knows that as chairman and as a member of the conference committee I can assure him that the Federal Trade Commission will be given careful consideration.

The CHAIRMAN. Is there objection to the request of the gentleman from Virginia?

Mr. KVALE. Mr. Chairman, I reserve the right to object. The gentleman is aware of the fact that this \$60,000 is for services previously set forth up to the end of the present fiscal year, and that after July 1 more money will be needed to keep up the work.

Mr. WOODRUM. Yes.

The CHAIRMAN. Is there objection?

There was no objection.

The Clerk concluded the reading of the bill.

Mr. WOODRUM. Mr. Chairman, I ask unanimous consent that the Clerk of the House be given authority to correct the totals in the bill.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. WOODRUM. Mr. Chairman, I move that the committee do now rise and report the bill to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

Mr. SNELL. Mr. Chairman, before that motion is put, will the gentleman yield for a moment?

Mr. WOODRUM. Yes.

Mr. SNELL. Mr. Chairman, I take this opportunity to call the attention of the Members of the House and the country to the fact that to-day is the first anniversary of the death of our late lamented Speaker, the Hon. Nicholas Longworth, of Ohio. Considering the love and affection and esteem in which he was held by the Members of the House on both sides of the aisle, I think it would be very appropriate, when we adjourn to-night, to adjourn out of respect to his memory.

The CHAIRMAN. The question is on the motion of the gentleman from Virginia.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the Chair, Mr. SWANK, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill H. R.

10022, the independent offices appropriation bill, and had directed him to report the same back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

Mr. WOODRUM. Mr. Speaker, I move the previous question on the bill and all amendments thereto to final passage. The previous question was ordered.

The SPEAKER. Is a separate vote demanded on any amendment?

Mr. SIMMONS. Mr. Speaker, I demand a separate vote on the Smith amendment striking out the appropriation for examination of presidential postmasters by the Civil Service Commission.

The SPEAKER. Is a separate vote demanded on any other amendment? If not, the Chair will put them en grosse. The question is on agreeing to the other amendments.

The amendments were agreed to.

The SPEAKER. The Clerk will now report the Smith amendment.

The Clerk read as follows:

Amendment By Mr. SMITH of Idaho: On page 10, lines 15 to 19, inclusive, strike out the paragraph.

The SPEAKER. The question is on agreeing to the Smith amendment.

The question was taken, and the amendment was rejected.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time.

Mr. GOSS. Mr. Speaker, I demand a reading of the engrossed bill.

Mr. TILSON. I have a motion to recommit which I wish to submit, and I wish the gentleman from Connecticut would withdraw his demand for the reading of the engrossed bill.

Mr. GOSS. Mr. Speaker, I withdraw my demand for the reading of the engrossed bill.

The bill was read the third time.

Mr. TILSON. Mr. Speaker, I offer the following motion to recommit, which I have sent to the desk.

The SPEAKER. Is the gentleman from Connecticut opposed to the bill?

Mr. TILSON. I expect to vote for the bill, but I shall vote for it more readily if this motion to recommit is agreed to.

The SPEAKER. Is any member of the committee opposed to the bill? [After a pause.] If not, the Chair will recognize the gentleman from Connecticut. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. TILSON moves to recommit the bill to the Committee on Appropriations, with instructions to that committee to report the same back forthwith with the following amendment: Page 9, line 22, after the word "Columbia," strike out "\$772,080" and insert in lieu thereof "\$779,280."

Mr. TILSON. If the amendment proposed in my motion to recommit is adopted, it will simply add \$7,200 to the appropriation for the Civil Service Commission in order to permit the commission to continue holding, as it has been doing in the past, the examinations for selecting candidates for appointment to West Point and Annapolis, thus enabling Members of Congress to make their appointments to these institutions on a basis of merit instead of making them upon political grounds. This is the only purpose to be served by my amendment.

Mr. WOODRUM. Just half a minute, Mr. Speaker, to reply to the gentleman from Connecticut. There is no law authorizing the Civil Service Commission to hold these examinations. They are held by virtue of an Executive order; and in this day and time I believe every Member of Congress ought to have the backbone and courage to help economize and to make their appointments without such examinations.

The SPEAKER. The question is on the motion to recommit.

The motion to recommit was rejected.

The SPEAKER. The question is on the passage of the bill.

The question was taken, and the bill was passed.

On motion of Mr. WOODRUM, a motion to reconsider the vote by which the bill was passed, was laid on the table.

LEAVE OF ABSENCE

By unanimous consent, leaves of absence were granted to—
Mr. KURTZ, indefinitely, on account of death in family.
Mr. OVERTON, indefinitely, on account of illness.

THE FEDERAL FARM BOARD

Mr. COCHRAN of Missouri. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. COCHRAN of Missouri. Mr. Speaker, the Federal Farm Board is an unwise experiment. More than that, it is a most expensive experiment. A wise business man, when he finds he has made a mistake in the management of his corporation, will immediately seek to correct that mistake, charge off the loss, and in the end benefits by the unwise experiment, although it might have been costly. That is just what the Congress should do with the Farm Board. I know that there are Members who fully agree with me, but at the same time they fear if the Farm Board is abolished or the law repealed they will have lost valuable legislation as to cooperative marketing.

The Farm Board is so imbedded in the agricultural marketing act that I am unable to see how it is possible to amend it so those features to which I refer can be saved. I do not speak of the merits of the act as a whole or in part, but I confine myself to the one big question which confronts us, which is: Shall we permit the Federal Farm Board to continue to squander the public funds or shall we provide for its liquidation? No matter how it is brought about, or what sacrifice is made, the Federal Farm Board should be dissolved and let the law that brought it into being rest forevermore in the archives of the Government.

Mr. Speaker, it is my thought that even those who represent the farmers have failed to realize that they have in a way taken care of a privileged class rather than the farmers as a whole. Those that really need assistance and who should receive help are the former owners of small farms. I say former owners, for they have lost their farms and are now tenant farmers. They have never been protected. True, financial institutions and the Government have loaned them money to put in their crop, but what happens when the crop is ready? The call is made for the borrower to repay the loan. Regardless of what the price of wheat, corn, or any other commodity is, as they have mortgaged their crop for the loan, a call loan, they must respond to the call—sell and pay. The result is they have nothing left for themselves. A few months after, possibly a few weeks after, or it might be a few days, the market advances. The financier who made the loan has the crop in the elevator. He not only was paid interest on the loan, but he also realizes the profit which should have accrued to the poor farmer. When you devise a way to help the millions in this class, then I say you will have done something for the farmer.

I am not thinking of the farmer that owns thousands of acres, but my thought is for the little fellow.

If ever, and I think the time is coming shortly, that provisions are made for a thorough investigation of the Federal Farm Board, as well as the various corporations handling the several commodities that the board has been dealing in, the facts disclosed will be astonishing, to say the least.

The Farm Board and the Stabilization Corporation was organized to help the farmers. The various corporations with whom the Farm Board is dealing are made up of co-operatives, their member farmers, or landowners. These various corporations, grain, wool, tobacco, cotton, and so forth, have made money while the Farm Board has lost, or will lose hundreds of millions. Salaries in excess of \$75,000 a year are being paid those in charge of the corporations. Some say that is their business, not the Government's. If

Congress passed a law which provided that the Farm Board could not do business with any corporation where the salaries paid any individual was over \$12,000 a year, then the corporations would quickly reduce the salaries they are now paying. The corporations have made money because the Farm Board in purchasing grain and other commodities has dealt through the corporations. The board or the Stabilization Corporation has had the corporations buy the commodities purchased to stabilize the market. This was done to assist the producer, to stimulate the price; but despite the fact that the Government through this agency was buying in the open market to assist agriculture, the Farm Board paid a commission to the corporations, composed of men the Government was trying to help, for making the purchases, and it likewise paid a commission to the corporation to sell the holdings of the Stabilization Corporation when any sales were ordered. Just think of it, the Government paying to do something with the public money, the purpose of which was to assist those it was paying.

Mr. Speaker, I hope that this board will be put out of commission, and in its place let us have some legislation that will put the farmer on a sound footing.

ORDER OF BUSINESS

Mr. SNELL. Mr. Speaker, may I ask what will be the program for Monday and Tuesday of next week?

The SPEAKER. The understanding of the Chair is that Monday is District day, and that the District Committee will have business before the House. The Chair is of the impression that the legislative bill will be ready for consideration on Tuesday.

Mr. SNELL. That was my understanding, but I wanted to be sure about the program.

Mr. BYRNS. Mr. Speaker, may I say that the gentleman from Louisiana [Mr. SANDLIN] was called away a day or two ago on account of the illness of his brother. He expects to be back Monday when the committee will be in session to consider the legislative bill. If the gentleman does not get back, since he is in charge of that bill, it is hoped the committee will proceed to consider the District bill. So, either the District bill or the legislative bill, it is hoped, will be ready for Tuesday.

FILING OF MINORITY VIEWS

Mr. CARTWRIGHT. Mr. Speaker, I ask unanimous consent to submit minority views on the bill (H. R. 8750).

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

PHILIPPINE INDEPENDENCE

Mr. SNELL. Mr. Speaker, I ask unanimous consent that the Commissioner from the Philippines [Mr. GUEVARA] may have the right to revise and extend his remarks in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. GUEVARA. Mr. Speaker, the final decision of the Philippine question will be rendered by this House in today's meeting. This is a very important moment for the Filipino people, who are filled with joy because of the interest that this House is taking in their behalf. Permit me to transmit to you their heartfelt gratitude for this sympathetic and friendly attitude.

Thirty-three years ago a group of islands known as the Philippines was placed under the American flag and sovereignty. The destiny of its inhabitants was entrusted, by Providential design, to the hands of the American people, with no other guaranty than their honor, history, and traditions. Time has proven beyond doubt that the faith of the Filipino people in the United States was not in vain and that the trusteeship was honorably and loyally discharged. Now the end of that trusteeship is almost in sight, and the world will witness once more the birth of a new nation, ever ready to participate in the common effort to make it a better and a safer place in which to live.

It would not be amiss to state briefly the history of American-Filipino relationship. Its narration will undoubtedly help clear the issues before the House, thus facilitating their solution.

Legally the American sovereignty over the Philippines was established with the ratification of the treaty of Paris between Spain and the United States on February 6, 1899. It is now unnecessary for me to analyze that treaty in its formulation and adoption. Suffice it to say that the Filipino people did not participate either in its negotiation or in its final adoption. Whatever mistake was made or whatever injustice done, it should be considered as a thing of the past in view of the fact that the bill under consideration fully restores American justice and squarely solves all the pending issues in accordance with the wishes and longings of the Filipino people.

When the establishment of the American sovereignty over the Philippines was consummated and the inhabitants therein submitted themselves to the situation newly created, a civil government was organized—throughout the islands—and the military régime ended.

On July 1, 1902, Congress passed the commonly known Cooper bill, which represents the Magna Charta for the Filipino people. In that law the bill of rights of the Filipino people was solemnly promulgated and proclaimed, placing them in the position of free men notwithstanding the fact that they were a vanquished people. This act of justice, humanity, and of high political wisdom undoubtedly will be written in the history of mankind to guide future generations of the world in their conduct of human affairs. This American policy served to awaken the subject peoples of the world to the realization that they are endowed with certain inalienable rights, among them the right to pursue happiness, prosperity, and liberty.

To carry out this humanitarian policy of the United States the Filipino people were enfranchised to the extent of participation in the legislative branch of their government, thus creating the Philippine Assembly, whose membership was to be elected by the people. The Philippine Assembly was the lower house of the legislature, the civil commission whose members were appointed by the President with the consent of the Senate of the United States being the upper house. The test of the political capacity of the Filipino people was highly satisfactory to the United States. Consequently Congress in the year 1916 passed the act known as the Jones law, by virtue of which the legislative branch of the government was entirely entrusted to the Filipino people.

All instrumentalities of the government were also intrusted to the Filipino people with the exception of the Governor General, Vice Governor General, and auditor of the Philippine Islands. Four of the nine members of the Supreme Court of the Philippine Islands, though appointed by the President with the advice and consent of the Senate of the United States, are invariably Filipinos.

These, Mr. Speaker, were the steps taken by the United States in the execution of her announced policy in the Philippines.

What should be the next step? This question is answered by the bill under consideration.

At this point, Mr. Speaker, permit me to say that the bill now under consideration is but the epitome and synthesis of America's aims and purposes in the Philippines. It is the glorious crowning of her humanitarian task. It is the fulfillment of the pledge made by a Nation whose honor has never been questioned.

In turn, I pledge myself and the people of the Philippines to live up to the responsibilities that the new situation will cast upon us. We will strive to honor the humanitarian and generous grant of the United States; and I am sure that we will not hesitate to place at the disposal of this Nation our lives and our fortunes in time of need.

The arrangement proposed in the bill under consideration will place the Filipino people in a position of more responsibility, and it places not only within their reach but in their own hands the instrumentalities of their salvation. The Filipino people accept them without hesitation. They will

work out their destiny in accordance with their own genius and traditions, and there is no doubt that they are determined not only to preserve what America has done in the last 33 years but also to develop and love it as the precious heritage to future generations.

The bill under consideration has a far-reaching importance. It proves that the sanctity of pledges is a proposition that the nations of the world can no longer ignore. It is a warning that pledges made in treaties or in solemn documents should be fulfilled in accordance with their terms and spirit, and can not safely be violated if the might of right, and not the right of might, is the principle guiding the actions of civilized nations. The United States is setting the example. She is laying the foundation upon which to build the structure of a new world. She is constructing the beacon of hopes for the subject peoples and illuminating the path on which great nations should tread on their endless journey.

Domestic as is the question dealt with in the bill under consideration, nevertheless it formulates the fundamental principles of national life. Geographical division is proclaimed in the bill as a solemn sanction of the principle of self-determination without, however, meaning isolation. It is because political and economic intercourse is considered essential to human safety, prosperity, and happiness. The limitations provided in the bill do not trespass the boundaries of present needs. They are necessary for the effective application of its principles in harmony with American responsibilities. The limitations contained in the bill are the expression of the unselfish nature of the American sovereignty in the Philippines, and will prove that the establishment of this sovereignty was based purely upon altruistic motives.

One of the most important features of the bill under consideration is the settlement of our economic and racial problems. It follows faithfully the vision of those great Americans who launched this Nation into war with Spain. It was a war of liberation. It was a war waged in behalf of justice and liberty. It was in no sense a war of conquest or subjugation. It was a war for the sake of racial justice and identity. These are the reasons why the United States never thought of entertaining any plan to bring the Philippines into the great American Union and never attempted to assimilate the Filipino people. President McKinley, in defining the occupation of the Philippines by the United States, said:

Our concern was not for territory or trade or empire, but for the people whose interests and destiny, without our willing it, had been put in our hands.

The President continued, saying:

No imperial designs lurk in the American mind. They are alien to American sentiment, thought, and purpose.

Under the guidance of this policy set forth by President McKinley the government established in the Philippines under the American flag was but temporary or provisional. No permanent situation has ever been formulated nor any proposition advanced to incorporate the Philippines as an integral part of the United States. It would have been unwise for the United States to conceive the plan of annexing the islands without endangering the geographical integrity and racial solidarity thereof. Recent events have confirmed the wisdom and foresightedness of this policy. The present political arrangement brought freely to this continent a considerable number of Filipinos which caused a deep and patriotic alarm on the Pacific coast. The Filipino people, moved by the same motive, were likewise concerned on account of the loss they were suffering in their man power. However, the principle involved in this question of right is a proposition that can not be ignored or fairly evaded. As to the Filipino people, the question of right is higher than any other consideration. They can not conscientiously accept a situation which will place them in the position of inequality and humiliation. I know that the American people feel the same way. In justice, it is well to assume that they will never tolerate such an outrage under the American flag. It has not been committed, and never will be. However, we

can not ignore the fact that we are confronted with a situation requiring a solution, and your Committee on Insular Affairs courageously faced the problem and reported the bill under consideration, with the recommendation that it be passed by the House.

Now, Mr. Speaker, no matter how high we may place the principles under which we live, it is certain that economic reasons almost invariably rule human actions. They constitute the sinews of the lives of individuals as well as of nations. We may accept sacrifice for the sake of others some of the time, but we can not in good human principle accept such a sacrifice all of the time. This is the position that the American farmers and sugar interests have been forced to face. With the economic growth of the Philippines, they saw the probable danger it may inflict upon American agriculture and industry. They foresaw in days to come the terrible spectacle of peoples living under the shadow of the same flag and owing allegiance to the same government being stirred by economic jealousies and discriminations. They know that your land and my land can never be one. Having this in mind, they sought to advocate the independence of the Philippines as the only feasible way from an American standpoint to prevent an economic tragedy between our two countries. Such a solution will serve the best interests of the American people and at the same time satisfy the age-old aspirations of the Filipinos.

At this juncture, Mr. Speaker, permit me to say that with proper safeguard and convenient limitations we can be useful and of service to each other. Our political separation will only indicate the identification of our respective geographical positions, but the spiritual bond that has linked our two countries in the last 33 years will be strengthened by the gratitude of the Filipino people and by the natural satisfaction of your Nation in having attained the greatest and most unparalleled achievement in the history of civilization.

Under present political arrangement no practical or patriotic purpose can be served either by the United States or by the Filipino people. No one can foretell what the future has in store for the Far East. If the United States is to hold her present commanding position in the world affairs, she can not help reasserting her leadership in both hemispheres. America's leadership means at present just what it meant in the World War—the sanctity of treaties and the principle of self-determination. To uphold these high principles not only determination but also organization is necessary. The Philippines are now in a state of unpreparedness. The uncertainty which has characterized the political status of the Philippines can not produce any result but the stagnation of its economic development. For the same reason the United States has neglected Philippine military preparedness. Filipinos are not given military training. The citizens' military training camp system is not applied in the Philippine Islands. In a word, the national defense act of the United States is not enforced in the islands, and her inhabitants are not given the opportunity to train themselves in the naval service.

On the other hand, the Filipino people are not in a position to undertake the task of planning their own preparedness on account of their peculiar political status. Not only are they not authorized to undertake the necessary measures for preparedness, but even if they were, to undertake them under the present political arrangement might be construed as a defiance to the United States. At least, it would necessarily create a conflict of jurisdiction between two organized armies stationed in the same place and under the same flag and government.

A survey of the geographical position of the Philippine Islands in the Far East will bring home to every student of international affairs how important the preparedness of the Philippines would be to the very existence of that country and other parties connected with it. If it would not be an indiscretion I venture to say that the present circumstances fully justify my assertion. In order that the military preparedness of the Philippine Islands should be effective, it is not enough that the United States should

merely increase her Army and Naval Establishments in that country, but it is absolutely essential that the Filipinos participate actively and prominently. This is not the time to discuss the economic aspect of this question.

Suffice it to say that were the Filipino people authorized to undertake the task of the preparedness of their own country, there is little doubt in my mind that they would find some method appropriate to their own resources and standard of living to meet the economic angle of the task. The Philippine Islands is about 7,000 miles away from the nearest port of the United States. This circumstance makes it necessary that the Filipino people be given an active and prominent participation in the military establishment of the Philippines.

What is now the value of the Philippine Islands in a military sense? There is nothing to be found which will enable the Philippines even to repel a coastal invasion by well-organized bands of pirates.

The bill under consideration settles this anomalous political situation of the Philippines. It places upon the Filipino people the responsibility of conducting their own national affairs, which, it is my sincere conviction, will prove of service to the United States as well as to the Filipinos themselves.

Mr. Speaker, it would be presumptuous for me to say that the cooperation of the Philippines would ever be needed by the United States in her international affairs. However, the bill under consideration assures the loyalty, friendship, and undying gratitude of the Filipino people to the United States. We will be attached to this Nation by spiritual bonds which are stronger than any political and physical ties. There is nothing in existence in the Philippines and owned by the Filipino people that they will refuse to offer to the service of the American people.

Americans and Filipinos, whether in continental United States or in the Philippines, will find it more beneficial to their best interests to live under the situation to be created by the bill under consideration than under the present arrangement. Americans residing in the Philippines will be assured of the diplomatic protection of the United States and the loyal friendship and cooperation of the Filipino people. At this juncture, I shall not hesitate to say that, as far as the Filipino people is concerned, the diplomatic protection of the United States for the American citizens in the islands will not be needed. The cordial friendship of the Filipinos will make Americans feel at home and realize that together they should work out their common destiny.

From now on they will have only one aim, one purpose—to strive that the Philippines may be a happy and prosperous country and be useful to the best interests of the United States. From now on all controversial questions which caused ill feeling between Americans and Filipinos in the Philippines will be removed, and both peoples will regard themselves bound to the proposition of mutual help. Mutual cooperation and sympathetic understanding in their common problems will be restored. Their relations from now on will be founded on sympathy and love, and these will hasten the political and economic development of the Philippines.

The part of the bill under consideration which recognizes the right of the Filipino people to formulate and adopt their own constitution should be regarded as the romantic phase of the American sovereignty in the Philippines. The grant of this fundamental right in itself constitutes an event never heretofore recorded in the history of colonization. It is the consecration of those lofty principles for which the American people have fought in the past. It is the imperishable monument to be erected upon the graves of those brave American soldiers who fought and died for their flag in the Philippines—not in the name of conquest and oppression but for the sake of justice and liberty. Blessed are the mothers who begot such patriotic sons. Blessed is the nation who inspired her citizens in the practice of such heroic deeds.

While this humanitarian spirit guides the minds of the American people, we can say that the world is safe from tyranny. The small and weak nations can turn their eyes

to the United States for relief and inspiration with full confidence that the call to duty will not fail to find response.

The acknowledgment of the right of the people of the Philippines to formulate their constitution is the glorious culmination of American effort to build a new nation in the Far East.

The theory of "no responsibility without authority," which is the foundation of all responsible and orderly government is maintained in the bill under consideration. It sets forth and upholds the necessity of constructive authority and courageously sets aside the existence of any semblance of authority, the exercise of which may result in usurpation or absorption. In a word, the bill under consideration lays down the principle upon which the new conception of authority ought to rest. It requires moral courage and unselfish leadership to proclaim a rule of conduct which will diminish the opportunity for an oppressive and tyrannical deed. No authority is surrendered by the United States. On the contrary, her leadership in the Philippine affairs will be strengthened, for it will have the full moral support of the Filipino people, who can then freely face the world and say with pride that America's interests are their interests, her safety their safety.

As to the time when independence shall be granted it is a question which is absolutely within the wisdom and sense of justice of the American people. It is to be reminded that the aims and purposes of the United States in the Philippine Islands were and are to assist the inhabitants therein, first to prepare them for self-government; and secondly, for their independent life. The fulfillment of this task, as announced by the United States, necessarily requires a friendly and sympathetic spirit in the final solution of the question.

Not only do the Filipino people need a reasonable period of economic readjustment like that granted by the United States in the treaty of Paris, but American investments in the Philippines made under the auspices of American sovereignty should be given, in fairness and justice, ample opportunity either to liquidate or to continue if the new situation to be created by the bill under consideration proves to be satisfactory and advantageous.

A policy of this nature not only will not cause any detriment to the best interest of the United States but it will without any question place her in the position to say that she has completed her mission in the Philippines with honor to herself and with justice to the Filipinos. While I am aware that this statement might be misrepresented or misinterpreted not only in the United States but also in the Philippines, I am prepared to say that in the discussion of this important problem principles should not be influenced by popular passions.

To the American people I beg to say that it is my sincere and profound conviction that in the solution of the Philippine question they will not tolerate that righteousness and justice be set aside and selfish interests be of paramount consideration. The history of the American people is full of examples of altruism and unselfishness in their dealings with other nations. The whole world is indebted to the United States. She has helped many suffering nations. She has helped many critical situations and the Philippine Islands, which is, after all her creation, will certainly not be denied such help. To my own people I wish to say that they can not help but recognize the necessity of a period of transition which will enable them to profit from the generous actions of the United States. Politics should not be played in the Philippines by anyone in this crucial period of the emancipatory struggle of the Filipino people; and if so played, I am confident that their responsible leaders will have enough courage to fulfill their patriotic duty as they see it and as God made them understand it. Once their patriotic duty is discharged, they can accept gracefully any sacrifice of political or personal nature. Sacrifices are necessary in all battles for life.

When the heat of passion which naturally follows the solution of a great controversial national question has died

away, it is my expectation that the parties concerned will find nothing but reasons for joy in the passage of the bill under consideration. It is a matter of congratulation for the people of the Philippine Islands and a matter of pride for the United States that in the consideration of this bill the best interests of the Philippines constitute the fundamental aim of those who were for or against it. The bill was reported to the House by your Committee on Insular Affairs without party consideration.

This encourages the Filipinos to look to the future with confidence. The United States has helped the Filipino people to solidify the cultural and political foundation of self-government. That mission would not be complete if that help is not extended also to strengthen the structure upon which the independent government of the Philippines is to be built. This bill under consideration covers this American aim and purpose. It translates into reality what America announced to the world in the inception of her occupation of the Philippines.

In this connection I wish to quote President Roosevelt in his message to Congress in December, 1904:

We are constantly increasing the measure of liberty accorded the islanders; and next spring . . . we shall take a great stride forward in testing their capacity for self-government by summoning the first Filipino legislative assembly; and the way in which they stand this test will largely determine whether the self-government thus granted will be increased or decreased.

I hope and believe that these steps—setting up the Philippine legislative assembly—mark the beginning of a course which will continue till the Filipinos become fit to decide for themselves whether they desire to be an independent nation.

Again, President Roosevelt in a newspaper article said:

In order to use the Navy effectively we should clearly define to ourselves the policy we intend to follow and the limits over which we expect our power to extend. Our own coasts, Alaska, Hawaii, and the Panama Canal and its approaches represent the sphere in which we should expect to be able, single handed, to meet and master any opponent from overseas.

I exclude the Philippines. This is because I feel that the present administration has definitely committed us to a course of action which will make the early and complete severance of the Philippines from us not merely desirable but necessary. I have never felt that the Philippines were of any special use to us, but have felt that we had a task to perform there and that a great nation is benefited by doing a great task. It was our bounden duty to work primarily for the interest of the Filipinos; but it was also our bounden duty, inasmuch as the entire responsibility lay upon us, to consult our own judgment and not theirs in finally deciding what was to be done.

President McKinley, in his message to Congress in December, 1899, said:

We shall continue as we have begun . . . to make these people . . . feel that it is their liberty and not our power . . . we are seeking to enhance.

President Taft, while Secretary of War of the Government of the United States, said the following in his special report of January, 1908:

It [the United States policy toward the Philippines] necessarily involves in its ultimate conclusion, as the steps toward self-government become greater and greater, the ultimate independence of the islands, although, of course, if both the United States and the islands were to conclude after complete self-government were possible that it would be mutually beneficial to continue a governmental relation between them like that between England and Australia, there would be nothing inconsistent with the present policy in such result.

These official pronouncements of the constitutional leaders of the American people prove conclusively that the mission of the United States in the Philippine Islands was and is to prepare the inhabitants therein not only for self-government but also for their independent life.

It has been asserted—fortunately by only a few thinking leaders of the American people—that the United States should immediately grant independence to the people of the Philippines, ending suddenly all political and economic relations between the two countries. While the execution of such a policy is an exclusive privilege of the United States, yet it is not in harmony with her avowed purpose when she established her sovereignty over the Philippines. Of course, the Filipino people have no alternative or choice but to

accept whatever decision the Congress of the United States may see fit to render in this case. It would not be amiss, however, to remind those who advocate such a harsh policy that Congress can not afford to be too unfeeling with the Filipino people who, after all, are America's wards, in contrast to the benign and altruistic policy she accorded Spain, her declared enemy, after the war with that nation.

Will the United States be loyal to herself if she accords the Filipino people less considerate treatment than that accorded Spain?

I am happy to say that the bill under consideration answers this question. In this bill provisions are inserted which not only confirm America's announced policy in the Philippines but also uphold her glorious traditions and history.

On this momentous occasion, when the final solution of our common problem is about to be reached, it is indeed inspiring to see that both parties have completely surrendered selfish interests and have endeavored to inject nothing but friendly spirit into the bill, which is a document expressing the wishes and longing of both the United States and the Philippine Islands. The United States in the exercise of her authority and possessing the power that she does could have settled the Philippine question in a way most profitable and advantageous to her own interests. It has not been done in that way, however. Your Committee on Insular Affairs, with full knowledge of the authority and power of the United States, has completely avoided sanctioning any bill which only will serve the interests of the United States without at the same time protecting those of the Philippine Islands.

Your Committee on Insular Affairs has in no sense ignored the great responsibility of the United States in planning to create a new nation in the Far East and to assure her of the place she has under the sun. In the discharge of this responsibility, your Committee on Insular Affairs has not neglected to establish the essential requirements for an independent Philippine government, thus giving the Filipino people a period in which they can adjust their economic system, which for almost 25 years has been interwoven with that of the United States. To deny the Filipino people a reasonable period of time to adjust their economic system previous to the grant of their independence would be equivalent to launching them on an adventure, the result of which is impossible to forecast. Independence for the Philippine Islands is to be granted by the United States on the basis that it will be beneficial to both countries. It is not supposed to be granted only for the reason that it will serve the best interests of the United States. This aim could be accomplished without unnecessarily dislocating the economic condition of either country. It has been attained by your Committee on Insular Affairs by reporting to this House the bill under consideration.

On behalf of the Filipino people I solemnly declare that we accept and consequently indorse the bill reported by your Committee on Insular Affairs.

THE LATE SPEAKER LONGWORTH

Mr. WOODRUM. Mr. Speaker, in accordance with the suggestion of the gentleman from New York [Mr. SNELL], because this is the anniversary of the death of the late Speaker Nicholas Longworth, I move, as a mark of respect to his memory, that the House do now adjourn.

ADJOURNMENT

The motion was agreed to; accordingly (at 2 o'clock and 55 minutes p. m.) the House adjourned until Monday, April 11, 1932, at 12 o'clock noon.

COMMITTEE HEARINGS

Tentative list of committee hearings scheduled for Monday, April 11, 1932, as reported to the floor leader by clerks of the several committees.

WAYS AND MEANS (10 a. m.)

On bills providing for immediate cash payment of adjusted-compensation certificates.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. CONNERY: Committee on Labor. H. R. 11200. A bill to provide that the prevailing rate of wages shall be paid to laborers and mechanics employed on certain public works of the United States, the District of Columbia, the Territories, and the Panama Canal, and for other purposes; without amendment (Rept. No. 1028). Referred to the Committee of the Whole House on the state of the Union.

Mr. GILBERT: Committee on the Library. H. J. Res. 305. A joint resolution for the improvement of Meridian Hill Park; without amendment (Rept. No. 1029). Referred to the House Calendar.

Mr. BLACK: Committee on the District of Columbia: H. J. Res. 154. A joint resolution to authorize the merger of street-railway corporations operating in the District of Columbia, and for other purposes; with amendment (Rept. No. 1030). Referred to the Committee of the Whole House on the state of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of Rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. VINSON of Georgia: A bill (H. R. 11245) to prohibit loans under the agricultural marketing act to cooperative associations or stabilization corporations paying compensation in excess of \$20,000 per annum; to the Committee on Agriculture.

By Mr. RAYBURN: A bill (H. R. 11246) authorizing the Boca Chica Bridge Co., its successors and assigns, to construct, maintain, and operate a bridge across the Rio Grande at Boca Chica, Tex.; to the Committee on Interstate and Foreign Commerce.

Also, a bill (H. R. 11247) to amend the act to regulate commerce, approved February 4, 1887, as amended (U. S. C., title 49, ch. 1); to the Committee on Interstate and Foreign Commerce.

By Mr. BULWINKLE: A bill (H. R. 11248) to relieve ex-service men from the payment of interest on adjusted-service certificate loans made by the Administrator of Veterans' Affairs on or after February 27, 1931; to the Committee on Ways and Means.

By Mr. DAVIS: A bill (H. R. 11249) to amend the act entitled "An act to adopt regulations for preventing collisions upon certain harbors, rivers, and inland waters of the United States," approved June 7, 1897; to the Committee on the Merchant Marine, Radio, and Fisheries.

By Mr. MANSFIELD: A bill (H. R. 11250) making it unlawful to transmit through the mail, free of postage, any speeches, reports, or other matter extracted from the CONGRESSIONAL RECORD; to the Committee on the Post Office and Post Roads.

By Mr. McCLINTIC of Oklahoma: A bill (H. R. 11251) providing for an emergency circulation fund, and for other purposes; to the Committee on Banking and Currency.

By Mr. MANSFIELD: A bill (H. R. 11252) to amend section 4 of the legislative, executive, and judicial appropriation act, approved February 26, 1907, as amended; to the Committee on Expenditures in the Executive Departments.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BACHMANN: A bill (H. R. 11253) granting a pension to Josephine Mitchell; to the Committee on Pensions.

By Mr. FINLEY: A bill (H. R. 11254) granting an increase of pension to Mary A. Deaton; to the Committee on Invalid Pensions.

By Mr. FOSS: A bill (H. R. 11255) for the relief of Bartholomew Moynahan; to the Committee on the Civil Service.

By Mr. FULMER: A bill (H. R. 11256) for the relief of Dr. P. V. Mikell; to the Committee on Claims.

By Mr. GREENWOOD: A bill (H. R. 11257) granting a pension to Lome I. Sherwood; to the Committee on Pensions.

By Mr. HOLLISTER: A bill (H. R. 11258) for the relief of Sevellon Smith; to the Committee on Military Affairs.

By Mr. HOWARD: A bill (H. R. 11259) for the relief of John E. Click; to the Committee on Indian Affairs.

By Mr. JENKINS: A bill (H. R. 11260) granting a pension to Thomas A. O'Leary; to the Committee on Pensions.

Also, a bill (H. R. 11261) granting a pension to Augusta Ruble; to the Committee on Pensions.

By Mr. KNIFFIN: A bill (H. R. 11262) for the relief of Dee Erick Treat; to the Committee on Foreign Affairs.

By Mr. LAMNECK: A bill (H. R. 11263) for the relief of Joseph Maier; to the Committee on Claims.

By Mr. McLEOD: A bill (H. R. 11264) for the relief of Krikor Haroutunian; to the Committee on Claims.

Also, a bill (H. R. 11265) for the relief of Purse Bros.; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

5768. By Mr. ARNOLD: Petition of World War veterans of Lawrenceville, Ill., favoring cash payment of adjusted-compensation certificates; to the Committee on Ways and Means.

5769. By Mr. BACON: Petition of sundry citizens of New York State, favoring the enactment of the naval construction bill and bill to amend the naval reserve act of 1925; to the Committee on Naval Affairs.

5770. Also, petition of sundry residents of Long Beach, N. Y., favoring the immediate payment of the adjusted-service compensation certificates; to the Committee on Ways and Means.

5771. By Mr. BRUNNER: Petition of Joseph L. Cassidy, of 66-42 Booth Street, Forest Hills, Long Island, N. Y., and approximately 90 citizens of New York City, urging Congress to pass favorably upon the Hale bill, S. 51; Vinson bill, H. R. 8230 (naval construction bill); and House bill 8678, to amend the naval reserve act of 1925; to the Committee on Naval Affairs.

5772. By Mr. CLAGUE: Petition of Louis Cierpiszeski, of Arco, and 80 others, urging passage of Frazier bill, S. 1197, and Swank-Thomas bill, S. 3133; to the Committee on Agriculture.

5773. Also, petition of Albert Odegard American Legion Post, No. 401, Jeffers, Minn., asking for full payment of the adjusted-compensation certificates; to the Committee on Ways and Means.

5774. Also, petition of Edward C. P. Vogt, president of South Branch Local, No. 271, Farmers' Educational and Co-operative Union of America, St. James, Minn., urging passage of Frazier bill, S. 1197; to the Committee on Agriculture.

5775. Also, petition of J. H. Nelson, organized union railway employees, of Adrian, Minn., and others, urging passage of pension bill, H. R. 9891, and in opposition to pension bill, H. R. 10023; to the Committee on Interstate and Foreign Commerce.

5776. By Mr. CULLEN: Petition of the Community Councils of the city of New York, requesting action by Congress to take whatever steps may be deemed proper to safeguard the sugar-refining industry of New York City in respect to an apparently improper adjustment of rates of duty as between refined sugar and raw sugar; to the Committee on Ways and Means.

5777. By Mr. ENGLEBRIGHT: Petition of Los Angeles Chamber of Commerce, referring to the President's Public Lands Committee report; to the Committee on the Public Lands.

5778. Also, petition of Harry W. Muller, post commander, Veterans of Foreign Wars, Los Angeles, Calif., re Fort MacArthur; to the Committee on Military Affairs.

5779. By Mr. GLOVER: Petition of veterans of Grant County; to the Committee on Ways and Means.

5780. By Mr. HALL of Mississippi: Petition of 112 veterans and residents of Jones County, Miss., asking for the immediate

payment of the balance of the adjusted-service certificates; to the Committee on Ways and Means.

5781. By Mr. JAMES: Letter from the teachers of Huron School, Portage Township, Houghton, Mich., favoring a tariff on copper; to the Committee on Ways and Means.

5782. Also, telegram from St. Ann's Society, No. 213, K. S. K. J., through Mary Klobuchar, president, of Calumet, Mich., favoring a tariff on copper; to the Committee on Ways and Means.

5783. By Mr. JOHNSON of Texas: Telegram from the ex-service men of Milam County, Tex., favoring PATMAN's bill for cash payment of adjusted-service certificates; to the Committee on Ways and Means.

5784. Also, petition of William Lancaster and nine other World War veterans of Mount Calm, Tex., protesting against Senate bill 3769; to the Committee on Military Affairs.

5785. By Mr. LAMNECK: Petition of E. Craig, Mrs. Marcella Craig, Dr. J. H. Farrand, and other citizens of the city of Columbus, Ohio, petitioning against compulsory Sunday observance; to the Committee on the District of Columbia.

5786. By Mr. LEA: Petition of 56 residents of Lake County, Calif., protesting against compulsory Sunday observance legislation in the District of Columbia; to the Committee on the District of Columbia.

5787. By Mr. LINDSAY: Petition of the Community Councils of the City of New York (Inc.), referring to raw and refined sugar; to the Committee on Ways and Means.

5788. Also, petition of Kiwanis Club of Newark, N. J., favoring the passage of House bill 10402; to the Committee on the Judiciary.

5789. By Mr. NIEDRINGHAUS: Petition of 98 voters and residents of St. Louis, Mo., asking that the tax on security transfers be removed; that no further soldiers' bonus be paid at this time; and that positive steps be made to reduce the high cost of government; to the Committee on Ways and Means.

5790. By Mr. PATMAN: Petition of Daniel J. C. O'Donnell, of Pennsylvania, and 281,757 other World War veterans from every State in the Union and foreign countries, with ballots showing 281,162 in favor of full and immediate payment of the adjusted-service certificates and 595 opposing, asking Congress to pass legislation providing for the full and immediate payment of the adjusted-service certificates; to the Committee on Ways and Means.

5791. By Mr. RUDD: Petition of Kiwanis Club of Newark, N. J., favoring the passage of House bill 10492, restricting the sale, purchase, and transportation of death-dealing instruments; to the Committee on Interstate and Foreign Commerce.

5792. Also, petition of H. E. Dodds, of the Metropolitan Chapter, Disabled Emergency Officers, Long Island, N. Y., opposing any amendment or rider to the independent offices appropriation bill that would curtail benefits derived under the Tyson-Fitzgerald Act; to the Committee on Appropriations.

5793. Also, petition of Moses G. Hubbard, jr., New York State commander American Legion, the American Legion, Department of New York, and vast majority of its 85,000 members and 800 posts, opposing payment of adjusted-service certificates at this time; to the Committee on Ways and Means.

5794. Also, petition of the Peoples National Bank, Brooklyn, N. Y., opposing the establishing of a guaranty of bank deposits; to the Committee on Banking and Currency.

5795. Also, petition of the community councils of the City of New York, referring to rates on raw and refined sugar; to the Committee on Ways and Means.

5796. Also, petition of Bricklayers Union, Local No. 9, of Brooklyn, N. Y., favoring the appropriation of \$155,000,000 for the construction of public buildings; to the Committee on Appropriations.

5797. By Mr. SMITH of West Virginia: Resolutions of the Winding Gulf Operators Association, opposing the passage of the Davis-Kelly coal control bills; to the Committee on Interstate and Foreign Commerce.

5798. Also, resolution of the Beckley Chapter, No. 9, Disabled American Veterans of the World War, opposing the reduction of compensation of disabled veterans and favoring House bill 1; to the Committee on Ways and Means.

5799. Also, resolution of the Charleston Chamber of Commerce, Charleston, W. Va., favoring legislation that will result in placing interstate motor truck transportation under the jurisdiction of the Interstate Commerce Commission; to the Committee on Interstate and Foreign Commerce.

5800. By Mr. SWING: Petition of W. J. Mossholder and 14 other residents of San Diego, Calif., protesting against compulsory Sunday observance; to the Committee on the District of Columbia.

5801. By Mr. TAYLOR of Colorado: Petition of citizens of Salida, Colo., protesting against passage of House bill 8092, providing for compulsory Sunday observance in the District of Columbia; to the Committee on the District of Columbia.

5802. By Mr. WILLIAMS of Texas: Petition of citizens of the counties of Clay, Denton, Wilbarger, and Wise, asking that Congress enact no legislation which will tend to destroy the effectiveness of the agricultural marketing act and asking that said act be retained without impairments; to the Committee on Agriculture.

SENATE

MONDAY, APRIL 11, 1932

The Chaplain, Rev. Z. Barney T. Phillips, D. D., offered the following prayer:

Bless us, our Heavenly Father, with a sense of Thy presence, and be Thou the fountain light of all our day, the master light of all our seeing. Give us glad hearts, without reproach or blot, inspire us with true valiancy when empty terrors overawe, free us from all vain temptations and let our weakness have an end, that we, Thy people, being guided by the unerring light of love, may find our own security in the joy of serving Thee, who alone canst still the strife of frail humanity. So, in the undertakings of this day, be near us to direct us, within us to refresh us, around us to protect us, above us to bless us, and beneath us to uphold us in Thine everlasting arms. We ask it in the name of Jesus Christ, Thy Son, our Lord. Amen.

THE JOURNAL

The legislative clerk proceeded to read the Journal of the proceedings of the legislative day of Thursday last, when, on request of Mr. Fess, and by unanimous consent, the further reading was dispensed with and the Journal was approved.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Haltigan, one of its clerks, announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 10022. An act making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices for the fiscal year ending June 30, 1933, and for other purposes; and

H. R. 10486. An act granting pensions and increase of pensions to certain soldiers, sailors, and marines of the Civil War and certain widows and dependent children of soldiers, sailors, and marines of said war.

CALL OF THE ROLL

Mr. FESS. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Ashurst	Bingham	Brookhart	Caraway
Austin	Black	Bulkeley	Carey
Bailey	Blaine	Bulow	Connally
Bankhead	Borah	Byrnes	Coolidge
Barbour	Bratton	Capper	Copeland

Costigan	Hatfield	Metcalf	Steiwer
Couzens	Hayden	Morrison	Thomas, Idaho
Cutting	Hebert	Neely	Thomas, Okla.
Dale	Howell	Norbeck	Townsend
Dickinson	Hull	Norris	Trammell
Dill	Johnson	Nye	Tydings
Fess	Jones	Oddie	Vandenberg
Fletcher	Kean	Pittman	Wagner
Frazier	Kendrick	Reed	Wagcott
George	Keyes	Robinson, Ark.	Walsh, Mont.
Glass	King	Robinson, Ind.	Watson
Glenn	Lewis	Schall	Wheeler
Goldsborough	Long	Sheppard	White
Gore	McGill	Shipstead	
Hale	McKellar	Shortridge	
Harrison	McNary	Smoot	

Mr. FESS. I wish to announce that the Senator from Missouri [Mr. PATTERSON] is still detained from the Senate by illness. I will let this announcement stand for the day.

Mr. BYRNES. I desire to announce that my colleague the senior Senator from South Carolina [Mr. SMITH] is necessarily detained by serious illness in his family.

Mr. GEORGE. My colleague the senior Senator from Georgia [Mr. HARRIS] is still detained from the Senate because of illness. I will let this announcement stand for the day.

Mr. SHEPPARD. I wish to announce that the senior Senator from Virginia [Mr. SWANSON] is absent in attendance upon the disarmament conference at Geneva.

I also wish to announce that the senior Senator from Missouri [Mr. HAWES] is necessarily detained from the Senate by illness.

Mr. TOWNSEND. My colleague the senior Senator from Delaware [Mr. HASTINGS] is unavoidably detained from the Senate. I ask that this announcement may stand for the day.

The VICE PRESIDENT. Eighty-one Senators have answered to their names. A quorum is present.

INTERNATIONAL RADIO BROADCASTING

The VICE PRESIDENT laid before the Senate a telegram from Dr. J. R. Brinkley, of Milford, Kans., relative to international radio broadcasting, which was referred to the Committee on Interstate Commerce and ordered to be printed in the RECORD, as follows:

MILFORD, KANS., April 9, 1932.

HON. CHARLES CURTIS,

The Vice President:

I ask you have stricken an amendment empowering the Radio Commission to prohibit the maintenance of studios and equipment in United States for sending programs to foreign countries for rebroadcasting in this country. This was added by Senate group. Chairman COUZENS said it was not aimed at any one person. This would destroy our studios in Del Rio and is an attempt by the Radio Commission to stop my broadcasts. Please wire me your action on this matter.

Dr. J. R. BRINKLEY.

HOUSE BILLS REFERRED

The following bills were each read twice by their titles and referred as indicated below:

H. R. 10022. An act making appropriations for the Executive office and sundry independent executive bureaus, boards, commissions, and offices for the fiscal year ending June 30, 1933, and for other purposes; to the Committee on Appropriations.

H. R. 10486. An act granting pensions and increase of pensions to certain soldiers, sailors, and marines of the Civil War and certain widows and dependent children of soldiers, sailors, and marines of said war; to the Committee on Pensions.

COMMITTEE SERVICE

Mr. McNARY. Mr. President, there is a vacancy in the Republican membership of the Manufactures Committee. As chairman of the committee on committees, having the authority of the whole membership, I ask that the Senator from New Jersey [Mr. BARBOUR] be assigned to the Committee on Manufactures.

The VICE PRESIDENT. Without objection, that order will be made.